

The treason in the Treasury Department Anti-IMF ferment sweeps through Ibero-America U.S. Attorney William Weld, tool of dope banks

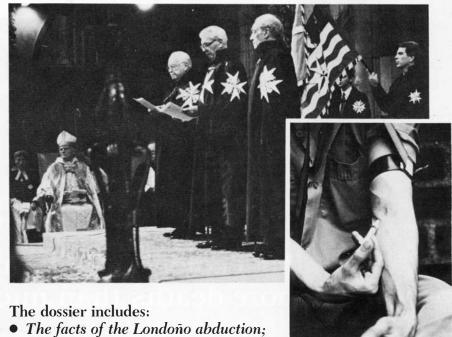
IMF ecological holocaust: more deaths than nuclear war



IN Ibero-America

The dossier

that sent Ibero-America's top drug runners through the ceiling is now available in greatly expanded form as an EIR Special Report for \$250.00. This is the explosive story that began to come to light after the July 26 abduction of Patricia Paredes de Londoño, a leader of Colombia's Anti-Drug Coalition. Investigators found that her abductors left a trail leading to a cult called the Gnostic Church, circles in the AFL-CIO and U.S. State Department, and ex-Colombian President Alfonso López Michelsen. Release of part of this information to media around the world provoked López Michelsen's now-famous letter to Colombian President Betancur, complaining that "in Panama, New York, Copenhagen, and presumably all over the world, an Intelligence Executive Review [sic] story is being circulated, according to which I have been in the service of the drug mafia. . . . "



- López Michelsen's interview to El Tiempo newspaper in which he takes the side of the drug mafiosi who are demanding repatriation and amnesty;
- Who's who in the Colombian drug mafia and its international sponsors;
- The history of Gnosticism—from Adolf Hitler to Colombia's M-19 terrorists:
- The Bulgarian-Colombian connection;
- A case study: Peru's "Shining Path" (Sendero Luminoso).

Order from: Campaigner Publ P.O. Box 17726 Washington, D.C	ations 20041-0726 (212) 247-882
Enclosed please find \$ Report (\$250 each).	_ for copies of the Special
Name	
Address	
	State Zip
Mastercard/Visa #	Exp. Date
Signature	

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor-in-chief: Criton Zoakos

Editor: Nora Hamerman

Managing Editor: Vin Berg

Features Editor: Susan Welsh

Production Director: Stephen Vann

Contributing Editors: Uwe Parpart-Henke,
Nancy Spannaus, Webster Tarpley,
Christopher White

Special Services: Richard Freeman Advertising Director: Susan Welsh Director of Press Services: Christina Huth

INTELLIGENCE DIRECTORS:

Africa: Douglas DeGroot Agriculture: Marcia Merry 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

Medicine: John Grauerholz, M.D. Middle East: Thierry Lalevée

Science and Technology: Marsha Freeman

Soviet Union and Eastern Europe: Rachel Douglas

United States: Kathleen Klenetsky

INTERNATIONAL BUREAUS:

Bangkok: Pakdee and Sophie Tanapura

Bogotá: Javier Almario

Bonn: George Gregory, Rainer Apel

Caracas: Carlos Méndez Chicago: Paul Greenberg Copenhagen: Leni Thomsen Houston: Harley Schlanger Lima: Sara Madueño

Los Angeles: Theodore Andromidas Mexico City: Josefina Menéndez Milan: Marco Fanini

Monterrey: M. Luisa de Castro New Delhi: Susan Maitra Paris: Katherine Kanter

Rome: Leonardo Servadio, Stefania Sacchi

Stockholm: Clifford Gaddy United Nations: Douglas DeGroot Washington, D.C.: Susan Kokinda,

Stanley Ezrol 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 1010-16th N.W., Washington, D.C. 20036 (202) 955-5930

In Europe: Executive Intelligence Review
Nachrichtenagentur GmbH, Postfach 2308,
Dotzheimerstrasse 166, D-6200 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 © 1985 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 I:brary rate: \$245 per year

To Post Master: Send all address changes to *EIR*, 1010-16th N.W., Washington, D.C. 20036 (202) 955-5930



From the Editor

As we go to press, EIR has learned that the Ibero-American movement against the International Monetary Fund created by the Schiller Institute mobilization of early April (story, page 36) has taken a major step forward. On April 19, the ORIT labor conference, being held in Mexico City, voted up a series of resolutions against the IMF. The resolutions, which scored IMF conditionalities and the unions' own governments for submitting to these conditions, demanded that the Ibero-American governments break from the IMF.

As shown by this week's coverage—perhaps the most explosive in the history of *EIR*—this level of political fight will have to escalate fast in the weeks ahead. The *Special Report* demonstrates that just over a decade ago, collaborators of *EIR* founder Lyndon H. La-Rouche, Jr. projected the consequences of continued IMF debt-collection policies, and that the ecological holocaust they projected then for the 1980s is unfolding before us today.

Next week, *EIR* will feature LaRouche's analysis, "The role of economic science in projecting pandemics as a feature of advanced stages of economic breakdown."

At the mid-April Washington IMF Interim Committee meeting, the United States signed its name, with the full support of the treasonous Treasury Secretary James Baker, to a document that declares that the IMF has the right to violate its, as well as other nations', national sovereignty (*Economics*).

As has become usual, the IMF's genocidal bureaucracy tried to protect such crimes from public scrutiny by formally excluding EIR's correspondents from the proceedings. We made a special effort to get the story—and we expect that our readers will use it well.

Nora Hanerman

EIRContents

Investigation

52 U.S. Attorney Weld: tool of dope banks

Will the Justice Department permit its Boston representative to use the department's police powers to carry out a political vendetta for international dope banks?

Interviews

42 Kerstin Tegin-Gaddy

The secretary-general of the European Labor Party in Sweden, was asked by *EIR* why her party was recently catapulted into the headlines.

Departments

44 Report from Bonn

Kohl makes it official.

45 Mother Russia

Military and church: one policy.

46 Report from Italy

Reagan-Gorbachov on Capri?

47 Vatican

Pope greets Schiller Institute.

48 Investigative Leads

Betrayed by their Swiss accounts.

49 From New Delhi

Rajiv's new diplomatic initiative.

58 Inside the Pentagon

On MAD, "limited war," and Vietnam.

64 Editorial

Saving lives.

Economics

4 Treasury's Baker ushers in IMF dictatorship over U.S.

Documentation: Excerpts from the IMF Interim Committee's press communiqué.

7 The IMF destroys the Italian economy

8 America's production is the key to increasing the world's food supply

But we're fattening our enemies on the flesh and blood of those who should be our friends: Based on EIR's forthcoming Quarterly Economic Report.

12 World milk supply in drastic decline

13 Science and Technology

World space programs ready to take off.

14 Currency Rates

15 Banking

BBS collapse means fast cartelization.

16 Agriculture

The planned theft of America.

17 Pestilence of Usury

'Cut off their insulin': McNamara.

18 Soviet Economy

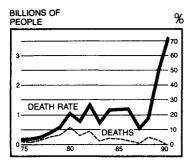
Russians and robots.

19 Medicine

Herpes cure has larger implications.

20 Business Briefs

Special Report



22 IMF's ecological holocaust: more deaths than nuclear war

A study commissioned by Lyndon LaRouche in 1974 employed the methodological principle that human economic activity and the biosphere as a whole are intimately linked, to predict the present diseases and famines spreading out from Africa due to financiers' genocide policies.

Warren Hamerman, director of the original study, reports.

27 Economic collapse sets off pandemic diseases, as biological holocaust looms

Dr. John Grauerholz's analysis: Cholera is only the beginning.

International

34 Violence readied in Europe to target the Bonn summit

The April 11 terrorist massacre in Spain in which 15 Americans died is part of an extraordinary terrorist activation that foreshadows assassination attempts or further bombings around President Reagan's upcoming tour.

36 Schiller Institute catalyzes ferment against the IMF in Ibero-America

Tens of thousands marched against genocide policies around the world, and labor organizations in Mexico and elsewhere announced their intention to mobilize many more.

Documentation: The Panamanian labor federation's letter to President Reagan; the statement of the Argentine federation; and Dominican press coverage.

- 40 Anglo-Soviet moves in Iran
- 41 The civil war threat in Sudan
- 50 International Intelligence

National

56 Jimmy Carter and cronies push surrender of U.S.

As the Reagan administration continued its arms negotiations in Geneva, a shadow government convened at the Carter Center in Atlanta—with Soviet proconsul Dobrynin present.

59 Kissinger Watch

The monkey trap, yet again?

60 Congressional Closeup

Congress pushes IMF murder plan for Africa.

62 National News

EXECONOMICS

Treasury's Baker ushers in IMF dictatorship over U.S.

by Criton Zoakos

On April 17, 1985, U.S. Secretary of the Treasury James A. Baker III announced formally the policy which his friends and sponsors had up to now only secretly and quietly promoted: dictatorial supervision over the United States economy by the International Monetary Fund. The immediate practical consequence of this development in the weeks ahead will be two-fold. First, a dramatic acceleration in the Third World of conditions of famine, pestilence, and social and political disintegration; second, a bolder, more aggressive strategic/military posture of the Soviet Union globally.

Secretary Baker's announcement before the IMF Interim Committee meeting signaled to the Russian leadership in Moscow that: The economic sovereignty of the United States has come, at least temporarily, to an end; the defense budget of the United States has been accordingly cut down to harmless proportions; and this state of affairs has been institutionalized and safeguarded under the guise of the newly formed Economic Policy Council, whose chairman pro tempore is Secretary Baker.

In his published remarks, Baker pledged the U.S. surrender to the IMF in the following way: "I welcome this opportunity to participate in this special meeting of the Interim Committee. I must admit that when I first came to Treasury I wondered if Don Regan had left me a golden opportunity or an impossible task when he proposed that the Interim and Development Committees engage in an informal dialogue on medium-term growth, adjustment, and development. . . ." This was an oblique reference to Donald Regan's notorious 1984 proposal to subject the United States to strict IMF surveillance.

In his follow-on remarks, Secretary Baker announced that the United States was complying with the IMF's principal demand, the massive gutting of the federal budget: "The United States will do its part. We must follow a steady, anti-inflationary monetary policy. We are determined to reduce

substantially the U.S. budget deficit. . . . Our discussions this afternoon will include consideration of ways to strengthen IMF surveillance generally and to develop 'enhanced' surveillance for certain debtor countries. We firmly believe that IMF surveillance can play a key role in encouraging the adoption of sound economic policies in all of our countries, through both regular and special consultations with individual countries, as well as through multilateral surveillance. I hope others will join us in supporting measures to strengthen **IMF** surveillance. . . . The studies regarding the international monetary system which have been under way within the Group of Ten recognize the need for more effective IMF surveillance, and are likely to emphasize specific proposals toward that end. As I indicated last week, the United States attaches considerable importance to these studies of possible improvements in the international monetary system. We are therefore prepared to consider the possible value of hosting a high-level meeting of the major industrial countries, following the conclusion of the studies, in order to review the various issues involved in transforming their findings into appropriate action."

Baker's surrender of the United States economy to the IMF was proclaimed before an audience of international financiers which included Lord Eric Roll, a director of the Bank of England; Michael Dealtry, manager of the Swiss Bank for International Settlements; Pierre Languetin, chairman of the Swiss National Bank; Pierre Beregovoy, French minister of finance; and other financial oligarchical representatives now engaged in a strategic deal with the Soviet leadership. Some of these persons had arrived in Washington to hear James Baker fresh from the meeting of European Community finance ministers in Palermo, Italy, where they agreed on certain important decisions toward the establishment of a separate and independent Western European currency bloc, based on the ECU unit of account, to replace the U.S. dollar.

4 Economics EIR April 30, 1985

What these persons thought about Baker's pathetic performance is best conveyed by the remarks of one of the participants in the EC finance ministers' meeting to an EIR correspondent on the spot.

An old hyena's contempt for clowns

The commentator, a senior Swiss-Belgian banker with extensive credentials, summarized the European oligarchy's attitude toward Reagan's "economic team":

"The idea of the U.S.A. sustaining a major military conflict is preposterous and not viable. The only thing they could do is press the button. The Russians know it and they will give a push somewhere. In Washington, it's pure ideological blindness. The U.S. financial and services parasites are running the show, they're enraged when you tell them. You tell them their GNP is full of nothing, like a \$2,000 BMW at German cost gets exported and becomes a \$15,000 American BMW and it's chalked up in the American GNP. The U.S. is irretrievably finished. Two years ago, all right, they could have pulled out, not now, especially since the paper-peddler, Don Regan, has become the prime minister of an absenteist President. There is nothing more parasitical than stock brokering. And the American population is unwilling to wake up, they're sleeping, they think that they run the world, and that yelping like idiots at the Japanese is going to solve problems. They're unwilling to work productively to sustain the standard of living they have attained. The U.S. is gone like Britain went. The only ones who could convince the old ga-ga in the White House are the Pentagon generals, if they tell him that the dollar is a strategic hazard. But they won't do it.

"But the Europeans are starting to wake up to the fact that the U.S. economy is fake, and that's why the push for the ECU. Europe has no choice: It's a European defense or nothing at all; that means beam weapons and neutron bombs for Europe. Delors is the one who can pull the plug—he can bring the Germans along. We should give the neutron bomb to the Chinese. We should set up a double currency market, which isolates commercial transactions—only 5% of total transactions—from the financial flows. We should set up a European exchange guarantee fund which protects our corporations. People are working on that, myself, van Ypersele, Triffin, Steiner, Kervain, the whole Louvain establishment. There has not been any reflow of long-term or capital investment from the U.S. to Europe, only banks unwinding shortterm positions. The Soviets are playing both ends. They do not want a big collapse, they're very happy with the way in which America is self-destroying, they want it to go on. As far as we're concerned, if the Americans don't want to renegotiate the debt, we must impose it. If it punishes those who gorged in dollars, Swiss or others, too bad."

This, more or less, is what was going on in the minds of James A. Baker III's audience when our puffed up treasury secretary was making his stupid speech at the Interim Committee meeting. In the morning of that event's day, the *New*

York Times had published a glowing front-page article announcing that the recent cabinet reorganization at the White House had left Mr. Baker with "immense new authorities" towering way above his cabinet colleagues in his new dignity as "chairman pro tempore" of the newly formed Economic Policy Council. This council, whose members include Secretary of State Shultz, White House Chief of Staff Donald Regan, Commerce Secretary Malcolm Baldrige, CEA Chief Beryl Sprinkel, OMB Director David Stockman, is in fact the institution through which the dictatorship of "IMF surveillance" over the American economy will be carried out.

Secretary Baker, who manages the council's agenda, becomes more than a treasury secretary, as he replaces the functions of the previously existing and now defunct seven cabinet policy councils; one might have called him an "economic czar" were it not for the fact that all he will do in his new position is carry out the instructions of those dark oligarchical circles whom Federal Reserve chairman Paul Volcker these days refers to as "the international creditors of the United States." Baker is no czar. Merely a socially climbing satrap, a kind of Herod Agrippa supervising genocide and the slaughter of infants.

In the weeks ahead, the old European financial hyenas' (and their New York and Boston cousins") contempt for nominal officers of the United States such will become more public and more pronounced. Note, for example, their reactions to Baker's "famous" proposal for "an international monetary conference, under IMF auspices, to reform the monetary system," first made on April 11 at the OECD meeting in Paris and then repeated April 17 at the IMF Interim Committee meeting in Washington. His proposal, according to the London *Financial Times*, was taken by European financial authorities to be a weak-kneed attempt to slow down the motion for a separate ECU currency zone.

French and German financial policy-makers immediately poured cold water on the proposal. The British, via Lord Roll, made it clear that the "ECU zone" is the only way to go. The chairman of the IMF Interim Committee, Dutch Finance Minister H.O. Ruding, held a press conference to announce that no special international monetary conference will take place. The matter of further reinforcing IMF surveillance and conditionalities will be taken up at the Interim Committee's meeting next June in Tokyo and at the October annual conference of the IMF in Seoul, Korea.

The more Baker, Regan, and Volcker comply with IMF surveillance and conditionalities, the more they will be clobbered with further impositions. As the IMF proceeds with its next phase of genocide against the Third World, its resounding success so far in slashing the U.S. defense budget will embolden it to launch new attacks against the remnants of the U.S. economy and the dollar. The Soviet leadership is both watching and encouraging the proceedings with great glee. An "ECU currency zone" and a "yen zone" would be its convenient areas of looting high technology and industrial goods down the road.

EIR April 30, 1985 Economics 5

Documentation

'Surveillance over all Fund members'

Excerpted from the press communiqué of the Interim Committee of the International Monetary Fund, April 19, Washington, D.C. Emphasis is added.

- 2. As agreed last September, the Committee focused its attention at this meeting primarily on certain issues relating to the adjustment efforts and balance of payments prospects of member countries, which it discussed in a medium-term framework. These issues included external indebtedness, international capital flows, trade policies, and the role of Fund surveillance in dealing with them. The Committee had a constructive exchange of views aimed at developing agreement on possible measures to strengthen international arrangements and understandings in all these areas.
- 3. The members of the Committee welcomed the continuing recovery in the world economy, and the fact that inflation has generally continued to decline. Non-oil developing countries as a whole have significantly improved their exports and their current account position and have, on average, resumed per capita income growth. . . .
- 4. The Committee noted that world economic prospects in the medium term would be affected by developments in the fields of trade, capital flows, interest rates, and exchange rates. In this connection, it stressed the special responsibility of the major industrial countries to pursue policies that would result in sustainable non-inflationary growth and would permit developing countries growing access to markets. More particularly, the Committee drew attention to the need for action in the following areas:
- a) It is urgent that the trend toward protectionism be reversed and that freer world trade be promoted.
- b) The magnitude of fiscal deficits in a number of countries continued to be a cause for concern. In these countries measures were needed to reduce public sector reliance on domestic and foreign savings, thereby easing pressures on financial resources, which could lower interest rates and foster growth. In this respect, the Committee welcomed the recent announcement by the U.S. Government of its initiative to reduce substantially its fiscal deficit. . . .
 - c) Measures are needed to improve the functioning of

labor, financial, and goods markets by removing structural rigidities.

d) It is equally important to seek greater exchange rate stability.

By creating a basis for durable growth of production and international trade, these actions would enhance the export growth of developing countries and facilitate the implementation of the necessary adjustment policies by the debtor countries.

- 5. The Committee agreed that many developing countries had made progress in dealing with their debt-servicing difficulties, a development that has undoubtedly been facilitated by the strength of the economic recovery, particularly by the upturn in the U.S. economy. The Committee noted, however, that the external debt problems of a number of countries remain serious and have been exacerbated by rates of interest, which, while they have declined, remain very high. A satisfactory resolution of these difficulties would require sustained, determined, and coordinated efforts by both creditor and debtor countries, and will continue to take into account the particular circumstances of each case. Several low-income developing countries continue to face severe debt-servicing problems even though much of their debt is to official creditors.
- 6. In debtor countries, adjustment is essential and, indeed, unavoidable. In the view of the Committee, appropriate policies to that effect, including measures to encourage domestic savings and investment and to promote realistic exchange rates and prices, are necessary for the restoration of growth and creditworthiness, and to encourage spontaneous lending by commercial banks and flows from official sources. They will also create a favorable climate for the return of flight capital and, together with greater receptivity to inward direct investment, for an increase in nondebt-creating flows and transfers of technology. . . .
- 8. The Committee underscored the importance it attached to the role of the Fund in support of adjustment programs and as a financial catalyst. The Committee also stressed the importance of close collaboration between the Fund and the World Bank.

In view of the many uncertainties remaining on the financial horizon, the Committee stressed the need for a strong International Monetary Fund that can appropriately assist members that are prepared to take needed adjustment measures in the event that severe payments problems arise.

The Committee stressed the importance of effective Fund surveillance as a means of promoting sound underlying economic policies and convergence of performance among member countries. It urged that steps be taken to strengthen surveillance over the policies of all Fund members. It also urged that consideration be given, within the context of the policy of uniform treatment of members, to means of increasing the effectiveness of surveillance over the policies of those industrial and developing countries which have a significant impact on the functioning of the world economy.

6 Economics EIR April 30, 1985

The IMF destroys the Italian economy

by Liliana Gorini

In the last 10 years, the International Monetary Fund has managed to transform the Italian economy into a "post-industrial" and "post-agricultural" society, in which the only sectors still functioning are the black economy, drug-smuggling, terrorism, and "services." Thanks to IMF "conditionalities" imposed with the ostensible purpose of reducing the public deficit and the foreign debt, both increased exponentially: the deficit by 353% between 1975 to 1982, the foreign debt by 219%.

The Italian case, among other things, exemplifies the intimate link between "respectable" high finance and the darkest reaches of organized criminality.

The report on the Italian economic situation released on March 29 by the treasury and budget ministers indicates the level of the disintegration the IMF imposed on the real economy, in favor of the "black" economy: At the present time, 55% of the Italian labor force is employed in services—as much as 10% in the black economy—only 34.4% in industry, and 11.6% in agriculture and fishing.

On April 15, an IMF delegation and Treasury Minister Goria met in Rome to prepare the IMF's yearly report on the economic situation. Some days later, it was published. Far from acknowledging the failure of its program—indeed, from the IMF's standpoint, the destruction of productive capacities is not failure, but success—the report demanded more of the same:

- Public expenditures should be drastically cut, particularly in the health insurance and pension areas.
- Wages should be reduced even more drastically, and kept well below inflation levels.
- Taxes, which were increased to 40% of disposable income in January by Finance Minister Bruno Visentini, should be increased further.
- Interest rates—the Italian are the highest in Europe—should be increased in order to reduce capital investment.

When Prime Minister Bettino Craxi demanded a reduction of interest rates in order to stimulate investments, and protested against "the indiscriminate cuts in expenditures and increase of interest rates" demanded by the IMF, the answer

of the Fund was a clear warning: Treasury Minister Goria, fresh from his meetings with the IMF delegation in Rome, the very next day unilaterally proclaimed a one-point rise in interest rates, from 15½% to 16½%—compared to 5½% in West Germany, 10¾% in France, and 12½% in Great Britain.

Yet, real interest rates on the market are much higher, above 20%.

As for the health-care system, it is already almost non-existent as a result of previous IMF "recommendations," as is attested to by newspaper photographs of hospital corridors crowded with beds. Despite official government protests, the Fund's backers a launched a campaign through the news media to abolish the Local Health Units (Unitá Sanitarie Locali), which are the only form of health-care available to those who cannot afford private insurance.

The yearly report of the IMF, ominous in its predictions (threats) of catastrophe if its recommendations were not accepted, had words of praise only for Finance Minister Visentini, whose 40% income-tax package of last January, directed especially at shopkeepers and other self-employed family businessmen, managed to bankrupt close to a million of them in a few months time. Not content with this result, the IMF report recommended "further measures."

Visentini will certainly obey. Upon joining the government, he stated that he will tax everything "down to the last chicken" in homage and fealty to the sacred service of the debt. He went so far as to have Carlo De Benedetti, who took over the computer firm Olivetti when Visentini left it to become finance minister, propose that the Italian debt be divided among all Italian citizens. "Italy has debts for 500,000 billion lire [\$250 billion]," he said. "This means 10 million lire each [\$5,000]. It is better to have normal people pay it, so they will realize that the public deficit is everybody's debt, and will revolt."

De Benedetti's proposal, which is more or less what the IMF is presently demanding in health, pension, and wage cuts for each "normal person," does aim at provoking revolts in Italy, as the IMF has provoked them in Ibero-America and Africa, destabilizing those countries politically as well as economically.

Italian foreign indebtedness in 1983, \$58.4 billion, is equal to more than 80% of annual export earnings, and shows that Third World comparisons are no exaggeration. The ratio of foreign debt to export earnings is higher than Brazil's (75%), and approximates that of Mexico (100%).

The reason for the incredible increase in Italian indebtedness, at least since the days of the national solidarity government of present Foreign Minister Giulio Andreotti and the Communists in 1976, is that each Italian government has accepted and implemented the recommendations of the International Monetary Fund. The result is precisely that found in the Third World: Italy now has much higher debt, and no payments base. The productive capacities which once constituted the revenue base of the government and the means of foreign debt repayment have virtually vanished.

EIR April 30, 1985 Economics 7

American production is the key to increasing the world's food supply

by Chris White and Sylvia Brewda

During the 1984 crop year, the United States exported approximately 83 million metric tons of wheat and corn, representing approximately one-third of the total cereal exports (including rice) throughout the world.

Of this amount, the Soviet Union imported 10.6 million tons, Africa received 11 million tons, and Japan, Western Europe, and East bloc countries bought up most of the rest.

In the 1984-85 crop year, however, the Soviet Union has already received 19 million tons of U.S. grain, and holds contracts for almost 3 million more. If these contracts are fulfilled, and if the ongoing plunge in U.S. food production is not reversed, the United States will be fattening our enemies on the flesh and blood of those who should be our friends.

The United States occupies a unique position in the food supply capability of the world. Throughout the 1970s, Americans provided over half of the cereals moving between countries. In 1980, for example, this meant an export of almost 115 million tons.

In contrast, the other major exporting areas produced as follows: Canada exported 22 million tons, France 21 million tons, Argentina 19 million tons, and Australia 14 million tons of cereal.

However, the exports of France and Argentina are largely absorbed in Western Europe and South America. Australia sends over half its production out of the immediate area, but that production is extremely variable, reflecting the relatively low intensity of technology used in Australian farming.

Thus, the United States represents the single major source of food which can be used to avert a crisis in any area of the world, providing a bridge to the achievement of self-sufficiency.

How much is needed?

The recipients of cereal, on a world scale, have been the East bloc, Japan, and Africa. China has moved from a net importer of 14 million tons in 1980 to a cereal exporter at the present time. In 1980, the East bloc imported 53 million tons, 20% of the total traded, Japan just over 32 million tons, and Africa approximately 17 million tons. As a result of the dirigist policies of the European Community, Western Europe as a whole was only importing 7.5 million tons of cereal

in 1980, compared to 20 million in 1970.

The amounts of cereal imported must be compared with the availability of food in each area. According to FAO figures, the imports of cereal by Russia made up 18% of the amount available in 1980. In Africa, imports made up 19% in the same year. In Japan, for contrast, imports provided 65% of the available cereals. However, the additional imports changed the amount of cereal available per inhabitant from 0.70 to 0.86 metric tons per year in Russia, and from 0.16 to 0.20 in Africa. It has been calculated that the maintenance of a healthy diet with sufficient animal protein requires the availability of 1 metric ton of cereal per person per year, while the mere continuation of life requires a minimum of 0.22 tons or approximately 20 ounces per day. Thus, without imports, the inhabitants of Africa would have been well below the minimum for life.

World cereal requirements

If the world's population were to be fed at a level of one ton of direct and indirect cereal consumption per annum, the total harvest worldwide would have to be well in excess of four and half billion tons in each year. Two-thirds of this total would be consumed by animals, for meat or dairy products. The remaining third would be for direct human consumption.

Such a level defines the maximum requirement for cereal production at present population levels. Though grain production worldwide could be increased significantly, very rapidly, the principal limiting parameter would not be the cereal production as such, but the livestock breeding and raising capacity that would have to be developed on the basis of the expansion of such cereal production.

Without the livestock production, world cereal production would have to be increased by about 15% to provide the supply to keep the world's population as a whole, at or above the minimal level calculated to keep body and soul together. That is an extra 175 million tons of cereals, worldwide every year.

To expand production between the two limits thus defined would be to begin to shift the world onto a pathway which would ultimately make a solution to the food crisis possible. Over time, starvation could be eliminated, and the diet on

8 Economics EIR April 30, 1985

which most of the world's population depends, made up primarily of cereal and root products, cassava, manioc, yams, and so forth, could be shifted toward the protein-dense forms of the food spectrum, typified, for example, by the American diet of the mid- to late-1960s.

There are two kinds of obstacle to accomplishing this. Defense of either is, in consequence, the advocacy of genocide. On the one hand, within the United States there is the ideology of the free market, which argues hysterically, as was done in the last depression of this century, that the crisis is a crisis of over-production. If production levels are brought down, it is argued, prices for grains will rise, and then another investment cycle can begin. For the last two years the level of world production of cereals has fallen absolutely, with the major declines enforced in the United States.

The consequences of this idiocy are to strengthen the forces represented by the International Monetary Fund and its "conditionalities" policies. Under the slogan of the free market, food becomes a weapon deployed on behalf of the establishment of an international financial dictatorship, and genocide.

The second obstacle, reinforced by IMF conditionalities, and the associated doctrine of "appropriate technology," is the enforced persistence of peasant-based subsistence agriculture within the developing sector. Let us review briefly the principal economic parameters associated with the crisis in world food production.

Table 1 shows the world's production of all cereals from 1972 through 1982. It will be noted that production is divided

Table 1
World cereal production

(billion metric tons)

·	1972	1976	1980	1981	1982
World	1.264	1.474	1.558	1.644	1.697
Developed	0.665	0.761	0.768	0.803	0.823
Third World	0.599	0.713	0.790	0.841	0.823

evenly between the developed sector and the Third World. Of the total amount produced, approximately 600 million tons are consumed by human beings. Approximately 20% is produced inside the continental United States. The combination of the United States and Western Europe accounts for approximately 30% of the world production total.

Of total production, about 240 million tons are traded between nations, with the Russian imports from the world as a whole accounting for about 20% of the total, 50 million tons a year, and more. For these purposes Russia, and its satellite nations, are included within the "developed" nations.

Then compare the world's cereal production with the distribution of the world's population between the advanced and the developing sectors (**Table 2**). Rough division shows

Table 2
World population
(billions)

	1972	1976	1980	1981	1982
World	3.825	4.125	4.418	4.493	4.571
Developed	1.092	1.130	1.167	1.175	1.184
Third World	2.733	2.995	3.251	3.318	3.387

that the Third World is not itself capable of producing the minimum amount of cereal products required per person to keep body and soul together. Fully one third of the cereal available from outside the developing sector to make up the difference is taken up by Russia and Japan, leaving less than 150 million tons available per annum to supplement the production capability within the Third World itself.

Table 3 shows the total agricultural land reported to be available worldwide, and how the total is divided between

Table 3
World agricultural land

(billion hectares)

	1972	1976	1980	1981	1982
World	4.596	4.608	4.621	4.629	4.627
Developed	1.362	1.358	1.364	1.374	
Third World	3.234	3.250	3.257	3.255	

the advanced-sector nations, and the Third World. This total can in turn be divided between land employed for pasture, and land employed for cultivation of crops, such as cereals. Here the rule of thumb is that one quarter of the reportedly available agricultural land is available for crop cultivation. The other three-quarters, are named pasture, but are, for most of the world, idle land from the standpoint of modern methods of cattle and livestock management.

Agricultural land in turn is about one-quarter of the world's total land area, which is divided as shown in **Table 4**.

Thus it appears that Third World nations, as a whole,

Table 4
World land area
(billion hectares)

	1972	1976	1980	1981	1982
World	13.062	13.062	13.062	13.062	13.062
Developed	4.657	4.657	4.657	4.657	4.657
Third World	8.387	8.387	8.387	8.387	8.387

have more land available for agriculture, relative to total land, than the advanced-sector nations do, and that the perhectare yields obtained from that land are one-third the level obtained in the advanced sector as a whole. Discounting the distortion introduced by the inclusion of backward Russia, U.S. and European yields per hectare are up to two and three times greater than those achieved in the Third World.

Despite those modern-day physiocrats, and their neo-Malthusian co-thinkers, who argue that "Mother Nature" is the source of all wealth, advanced-sector dirt is not five to seven times more fertile than Third World dirt. Blood and soil ideologies aside, dirt is dirt all over the world. The differences in yield obtained per hectare of dirt reflect different divisions of labor in agriculture, as distilled from differing levels of technology.

The world's labor force as a whole (**Table 5**) is about 1.5 billion people. One third of the total is located in the advanced

Table 5
World labor-force
(billions)

	1972	1976	1980	1981	1982
World	1.379	1.482	1.591	1.628	,
Developed	0.484	0.520	0.544	0.550	
Third World	0.885	0.962	1.047	1.078	

sector. Different than the Third World nations, the advancedsector labor force, reflecting the different age composition of the population, is about one half of the population as a whole. In the Third World nations, the reported labor force is about one third of the population as a whole. The difference is partially accounted for by the greater number of children, and partially by the hard reality that the capital-base does not exist to put people to work.

We can further divide the world's labor force into those employed in agriculture, and those employed in industry (**Table 6**).

The differences in proportional composition of the labor

World industrial and agricultural workers (billions)

	1972	1976	1980	1981	1982
World Ag	0.745	0.783	0.817	0.813	
World Ind	0.297	0.330	0.366	0.391	
Developed Ag	0.089	0.078	0.068		
Developed Ind	0.185	0.200	0.213		
Third World Ag	0.656	0.705	0.749		
Third World Ind	0.112	0.130	0.153		

forces reflect the different levels of productivity that prevail in the world, and determine world food production capabilities.

For example, within the nations of the advanced sector, the North American region sustained a ratio of 1 farmer to 77 members of the region's general population in 1972, and in 1982, of 1 farmer to 96 members of the population. If the numbers of those fed by exports out of the region are considered, each such farmer fed many more people than the regional total alone. Western Europe, for its part, maintained 22 and 32 people per farmer in the cited years. In the nations of the developing sector the ratio of peasants to total number of people is stagnant over the period, 1:5 to 1:5.5.

The Third World peasant, however, was only capable of feeding about two such persons by his own labor. The differing levels of productivity are the consequence of technology, and the absence thereof.

Such productivity is reflected in the ratio of industrial workers to farmers and peasants, as indicative of the economy's investment in providing the farmer or peasant with the means to dominate and subdue nature. In North America in 1972 there were 11 industrial workers for every farmer, 14 by 1982, and in Western Europe 4 and 6, respectively, but the numbers of both farmers and industrial workers had declined overall. In the developing sector, this ratio is reversed, for there is a continuing ratio of two peasants to every industrial worker.

The availability of technology enhances per-capita as well as per-hectare yields. Compare the different per-hectare productivities referenced above, with the different per capita productivities obtained in the advanced sector and Third World.

Each of the farmers in the advanced sector, including the distorting factor of the peasants of Russia and Eastern Europe, produced 12 tons of cereals in 1981. More narrowly, the combined per-capita output of the 12.6 million farmers of Western Europe and North America was 43 tons each. On his own, the American farmer produced about 150 tons of cereals. Against this, the Third World peasant produced approximately 1 ton.

Among the financial circles associated with the IMF and the World Bank, that is, those who have promoted the policies called "appropriate technology" which have enforced the maintenance of this ratio of backwardness, the result of their effort is seen as a vindication of the incompetent theses plagiarized from the Venetian Gianmaria Orta by Parson Thomas Malthus nearly 200 years ago.

Geometrical rates of population growth must, they say, outstrip arithmetical rates of increase in food production. Therefore, the conclusion is drawn, there are limits to a population's ability to grow, because there are limits to its ability to feed itself. When those limits are reached, the Horsemen of the Apocalypse are supposed to be unleashed to correct the imbalance.

Such views are now openly propounded by the World

Bank, as in its latest annual report. What Olympian arrogance! While the IMF blocked credit for Third World development, the World Bank insisted that modern technology not be applied to Third World agriculture. The consequence, famine, was predicted at the time, and is the consequence of policy implemented by the IMF and the World Bank, not the working of this kind of cited arbitrary law.

Modern agriculture, and thus food-production capabilities, were developed as nature was forced to give way before the spread of science. Machinery replaced animals, chemistry supplied Mother Nature's own deficiences, and the combination, in the advanced-sector nations, over time, has reduced the amount of society's labor that has to be allocated to food production as such.

The Third World cannot produce at advanced-sector levels because it has been deprived of such technology, typified by the capacity to produce tractors, and fertilizer. **Table 7** and **Table 8** show world production of tractors, and nitrogen

Table 7
World tractor production
(millions of units)

	1972	1976	1980	1981	1982
World	1.449	2.058	1.744	1.665	1.602
Developed	1.340	1.863	1.571	1.478	1.425
Third World	0.109	0.195	0.173	0.187	0.177

Table 8
World nitrogen fertilizer production
(millions of metric tons)

	1972	1976	1980	1981	1982
World	34.059	43.755	55.292	56.349	56.524
Developed	30.682	38.325	46.636	46.931	45.788
Third World	3.377	5.430	8.656	9.418	10.736

fertilizer, which depends on energy-intensive technology, over the decade 1972 to 1982. It will be noted that world production of tractors has been in steady decline since 1976, and that fertilizer production worldwide has been stagnating, but declining in the advanced-sector nations. Such declines correlate with the escalating shortage of food supplies worldwide.

In the case of tractor production alone, shut-down capacity in the United States accounts for about 200,000 units of the annual production loss. Back in 1972, the United States produced one-quarter of a million tractors each year. By 1982, that amount had collapsed to 60,000, where it has remained

The year 1982 was also the last in which the world's

production of cereals grew. The proponents of the "overproduction" thesis, with the IMF, began to cut back absolutely on the amount of food that is grown. The stage is set for massive genocide.

Both U.S. and African output fell

Since 1980, the situation has deteriorated massively. In 1983, the last year for which reasonably reliable figures are available for African food production, the entire continent produced 61 million tons of cereals, no more than 0.12 metric tons per person. In that year, thanks to the federal PIK program to hold down production, the United States production of wheat and corn, our major cereal exports, dropped to 173 million tons, 60 million tons below the 1980 level and 115 million below that of 1982. In 1984, crop production in the United States returned to 266 million tons, but Africa's food production fell further as droughts and population dislocation worsened.

Meanwhile, the Soviets continued to buy up America's crops. In 1984, the U.S.S.R. was the single largest purchaser of American wheat, and second only to Japan in purchase of corn. In the months since October 1984, the Soviets have imported over 12 million tons of U.S. corn, 41% of all corn which has left the country and 2.9 million tons of wheat.

As a consequence of policies aimed at savagely retrenching industrial activity in the advanced sector, while simultaneously reducing food production capacities, the world's dependence on the United States granary has grown enormously.

The USDA, unbelievably, appears to be worried that the Soviets might not fulfill their contractual obligation to purchase yet another 1.6 million tons of wheat before September. This grain, which will be added to the Soviets' strategic stockpile, could instead be used to maintain the lives of some 70 million persons in Africa. Even though such levels of nutrition are inadequate, they could at least keep people alive in the most devastated areas until the infrastructure projects required to make Africa self-sufficient can be completed. Total Soviet imports of cereals could feed nearly 250 million people at the level of 250 kilograms per annum.

Further, reports from around the country indicate that the acreage planted in 1985 will be at least 25% below that of 1984, leading to production of no more than 200 million tons. Lack of fertilizer and pesticides may lead to lower yields on the acreage which is planted, decreasing final production even more. Officially, wheat reserves are down to 30 million metric tons, and corn reserves were depleted by the PIK program, to the point that the USDA was forced to buy corn from some farmers to fulfill its obligations to others.

If we had supported our farmers as they, and we, require, we would not be forced to choose between supplying our enemies and saving our friends. And if our government were not caught in the moral and strategic insanity of the "free-market" doctrines, we would not be choosing to help our foes.

World milk supply in drastic decline

by Marcia Merry

Not only output, but potential output of dairy products, and especially milk, is now declining rapidly on both sides of the Atlantic.

The United States and Western Europe together account for about 40% of the world's annual milk output. Technically, with much of the world starving, milk output could be easily doubled, and should be. The technology involved such as superovulation genetic techniques, and computerized herd-management equipment to regulate feeding, veterinary care, and breeding could increase output per cow to 30,000 and 40,000 pounds a year from the current good average of 12,000-20,000.

But instead, under the direction of food-cartel giants like Cargill, Inc., output is falling, and in many producer-areas, drastically.

March 30 marked the end of the 15-month-long federal milk reduction program in the United States, during which national milk output, herd size, and dairy infrastructure decreased to the point of severe regional shortages of raw milk. Yet, as of April 1, the U.S. Department of Agriculture used its discretionary powers to continue its output-reduction policy, in the form of maintaining a 50¢ per hundred weight (cwt) production penalty.

The exact way the government did this was a sleight of hand maneuver in which a 50¢-per-hundred-weight levy which every farmer was paying each month for the milk he produced was officially lifted, but at the same time, the government support price was reduced by 50¢ per hundred weight. The USDA rationale for this is the lie that there is still "overproduction" of milk.

While there is well publicized talk of certain farmers expanding their herds and "going for volume," such visions of sugar plums will not characterize the dairy picture overall. U.S. milk output declined by 4% in 1984, but output potential declined even more.

At present, the fluid milk supply to major sections of the nation—for example, the Southeastern states—is maintained by long-haul interstate milk movements. Farmers report that by mid-summer at the latest, there will not be enough milk produced in Wisconsin and the Midwest to meet these needs

and, simultaneously, the need for manufactured dairy products. At that point, severe shortages will show up.

The European picture

At the same time, the milk output of the 10 membernations of the European Community is being reduced in parallel. Over 1984, the milk output of the Common Market nations went down by at least 4% under their "Quota Reduction" system, and thousands of farmers went out of business.

The USDA nevertheless asserts that milk production in the world will increase marginally this year, from a total of 408.954 million metric tons, to 409.058 million metric tons. They claim that the U.S. output will rise from 61.436 million metric tons to 62.502 million metric tons; they agree the European output will fall, in their estimation from 109.406 million metric tons to 107.013 million metric tons.

However, this is just so much lying and fantasizing. The potential for production is being destroyed on both sides of the Atlantic. Farmers are shutting down, and the capital stock of those remaining in operation—barns, machinery, stock—is deteriorating badly. The latest reports from Europe show the pattern.

In West Germany, 30,000 dairy farmers have voluntarily agreed to give up dairy production as of mid-February. This represents an output of 827,000 tons of milk-production capacity.

One of the largest feed compounders in West Germany, Plange-Kraftfutter of Bremen, filed for bankruptcy protection in court last month because of the drastic fall in feed sales.

In Britain, where shutting down all kinds of production has become a way of life:

- Farmers, in order to cut their costs under the dairy-reduction quota, slashed their feed purchases by up to 50% and put dairy herds out to feed on grass rather than on the new protein-rich special feed concentrates.
 - Milk production dropped 8% over the last year.
- Sales of capital equipment to dairy farmers fell 45% from 22 million pounds down to 12 million pounds.
- The U.K. head of the Swedish-based Alfa-Laval dairy equipment company, makers of "De Laval" milking machinery, announced a 50% drop in the company's 1984 pre-tax profits, saying, "Our dairy equipment business just turned off like a tap. From the end of April [1984] we had no inquiries for new installations of anything. We are on the verge of absolute shutdown."

Compared to about 10 years ago, farm-equipment sales in Western Europe have collapsed. In 1976, there were 28,600 combine-harvestors sold to European farmers. Last year there were 17,100. Massey-Ferguson is now negotiating to get rid of its farm equipment plant in Aprilia, Italy, which employs 1,000 people. Its large combine-harvestor plant in Marquette, France has remained closed since last June.

12 Economics EIR April 30, 1985

World space programs ready to take off

by Marsha Freeman

At the March 28-29 Goddard Memorial Symposium sponsored by the American Astronautical Society, ambitious plans for future space programs by the European Space Agency, Canada, and Japan were put foward. The plans for international cooperation in the upcoming U.S. Space Station will bring U.S. allies into joint operation and responsibility for a space program for the first time. The only potential problem is whether the United States will hold up its side of the commitment, as budget deficit hysteria now threatens to cut NASA spending.

Western Europe will build on its Spacelab experience with the Space Shuttle, and come into full partnership with the United States in manned space systems. In previous joint ventures, the Europeans have generally contributed a piece of equipment or instrument to a U.S. program. In the Space Station, they will not only build a section, but will be responsible for scheduling experiments, and paying for repair and maintenance.

For the Japanese, it will be their first experience in building manned-rated systems. The Canadians plan to play a major role in the Space Station as well.

At the symposium, Karl Doetsch of the National Research Council (NRC) of Canada announced that his government had recently decided to proceed with its participation in the Phase-B space-station studies. All participants are now starting these engineering-design studies which will lead to the building and launching of actual hardware by the early 1990s.

The Canadians plan to build on their experience in designing and fabricating the Remote Manipulator System arm that has become integral to the functioning of the Space Shuttle. Doetsch reported that in this Phase-B study, the NRC will examine the possibility of developing more sophisticated robot capabilities; perhaps one integrated facility for servicing and repairing satellites, the assembly of large space structures, and construction of new infrastructure from the Space Station.

Remote arms similar to that of the Shuttle will be integral to this kind of facility. Astronaut extravehicular activity is

quite taxing and expensive, making remote robotic systems, controlled from inside the station, very attractive.

In addition to a facility attached to the station, the Canadians are very interested in developing unmanned platforms for remote sensing. Landsat-type systems are crucial for Canada for agriculture, resource identification, and water management in its vast, remote land areas. They will also be looking at auxiliary power systems for the station.

On April 16, a formal Memorandum of Understanding was signed by NASA Administrator James Beggs and Canadian Minister for Science and Technology Tom Sidden, under which Canada will conduct Phase-B definition and design studies in parallel with studies NASA is conducting.

Mr. T. Mori from the Science and Technology Agency in Tokyo presented an exciting picture of what Japan is considering as its contribution to the international station. Japanese scientists and engineers have determined that their nation could develop a science or manufacturing laboratory for the station, orbital maneuvering or orbital transfer vehicles for in-space transportation, a logistics supply module, or free-flying unmanned platforms that would fly near the station.

Japan could not afford to do all of these, Mori explained. It has decided to proceed with engineering studies of a JEM—Japanese Experiment Module. This module, which would be pressurized and outfitted for manned operation, could be used for life-science studies or materials processing. It is also possible that the Japanese will decide to build more than one laboratory.

The Japanese are also preparing for the trip of their first astronaut in the Space Shuttle in 1988.

European space plans

The 11 nations of the European Space Agency (ESA) have started a series of important initiatives. At the symposium, ESA representative Jack Collet reported that Phase-B studies by ESA, which have been projected to cost 80 million European Currency Units, have been oversubscribed—the member nations have offered to spend 110% of that for the design work!

ESA's major contribution to the Space Shuttle, the Spacelab science laboratory, has put Europe in the position to apply that technology to a laboratory module for the Space Station. Collet reported that in addition, ESA is anxious to develop free-flying or man-tended space systems.

Dr. Wilfried Ley of the German Aerospace Research Establishment, DFVLR, reported on their recent study on potential European missions aboard a Space Station. According to Dr. Ley, European scientists are interested in doing experiments in the materials and life sciences, space science and astronomy, Earth observation, communications and navigation, and robotic and other new technologies.

Seventeen specific mission experiments have been decided upon, touching on all of these fields. These 17 missions

EIR April 30, 1985 Economics 13

are just for the first three or four years of the initial operation of the station, and the list will likely be greatly expanded as the time gets closer for operation.

ESA has not yet decided what equipment would be included in any specific module. As an example, Dr. Ley stated that a materials-processing lab might have facilities for crystal growth experiments, metals processing, fluid science experiments, storage racks, and other equipment. The module might be a "quiet" lab, where there is a minimum of human movement, noise, etc. or a "busy" lab. This will all be determined in the Phase-B studies.

Europe has also started to examine future commercial requirements for space manufacturing. The German aerospace company MBB has performed studies over the past two years concerning future In-Orbit Infrastructure (IOI) with a focus on establishing an automated, independent European infrastructure in low-Earth orbit for commercial applications.

Peter Sharp from the MBB/ERNO Space Division in Bremen reported at the symposium that their study found that materials-processing missions were identified as having the highest interest among technologists, and also placed a high demand on infrastructure, involving frequent visits for servicing and exchanging materials at the facility.

In the MBB study, many options for commercial materials processing were examined. For example, it is possible to outfit the factory with re-entry vehicles which would come back to Earth without relying on the Space Shuttle. Three different re-entry vehicle configurations are being investigated, modeled on the U.S. Mercury, Gemini, and Apollo programs.

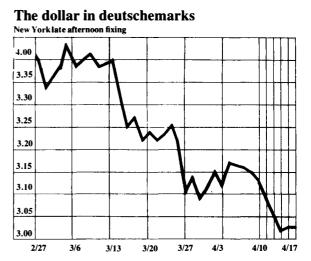
The Europeans will also design the facility to be compatible with both an Ariane and Shuttle launch. Because the major reason to do materials processing in space is the microgravity available, automated systems rather than man will be used. This will push foward the development of robotic systems in space.

L. Breton from the French space agency, CNES, described a possible joint ocean remote sensing program, and a presentation by Prof. Ernest Vallerani from Aeritalia explored the great potential of tethered satellite system experiments, under development in Italy, from the Shuttle and Space Station.

The formal agreements between NASA and Japan, Canada, and ESA are in the process of being signed. The nagging question, however, is: Will the United States keep its side of the bargain, in building the basic structure of the station, upon which everything else depends?

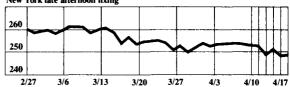
Before the fiscal year 1986 NASA budget left the White House six months ago, the Office of Management and Budget had reduced the Space Station funding by \$50 million. Recently, the House Budget Committee voted to freeze the budget at this year's level. That would mean a nearly \$400 million reduction in the budget NASA expected to have available in FY86.

Currency Rates



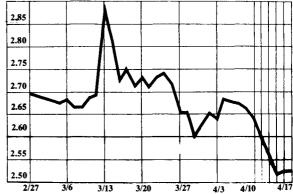
The dollar in yen

New York late afternoon fixing



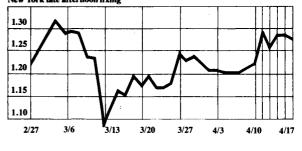
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



14 Economics EIR April 30, 1985

Banking by Kathy Wolfe

BBS collapse means fast cartelization

The number of S&Ls losing money to phony discount houses is rising at a rather suspicious rate.

he Bevill, Bresler & Schulman (BBS) group of New Jersey became the second government securities firm in the space of a month to go belly up, putting two of its companies under Chapter 11. Like ESM securities of Florida, BBS enjoyed ties to Ohio dope-banker Marvin Warner. In fact, ESM was founded by two founders of BBS. Its bankruptcy is part of Swissorganized plug-pulling on the American banking system.

Most ominous, dozens of savingsand-loans in a dozen states across the country may have lost as much as \$225 million in bad loans and investments with BBS—the ESM story all over again. The big purchasers of BBS securities included four in Ohio already hit in the collapse of ESM. Otherwise, the states involved, Ohio, Texas, Florida, New York, and Illinois, are precisely those industrial states targeted for expansion by Citibank, Chase Manhattan, Chemical Bank, and the other "Dope, Inc." money-center banks which are planning a Britishstyle cartelization of the American banking system.

The New York banks are already moving in. In Ohio, Chemical Bank has signed a letter of intent to buy Marvin Warner's Home State S&L dirt-cheap, and is moving to acquire state-wide banking-service capabilities. Chase Manhattan has likewise asked permission to buy two Ohio S&Ls as a first step to opening up operations in the state. In Maryland, the state legislature voted April 8 to grant Citicorp full-service banking rights throughout the state; Chase Manhattan, Chemical, and Mellon Bank are expected to move in soon. In Michi-

gan, the Detroit News reports that several of the larger banks are becoming takeover targets for the New York money-laundries.

The BBS bankruptcy confirms what EIR wrote of ESM at the time: It was no "isolated case." The entire crisis was triggered by Swiss interests to turn the industrial heartland of the United States over to Citibank, whose new chairman, John Reed, is a director of the World Wildlife Fund and as such, a close friend of Britain's Prince Philip and Holland's Prince Bernhard. The Fund and Citibank are committed to reducing credit in the United States as to reduce the American population.

ESM was the brainchild of Crédit Suisse/White Weld, the Swiss banking group which is accused by the U.S. government of receiving billions in laundered money from the First National Bank of Boston. The March 17 Houston Chronicle reports that ESM was founded in 1976 by the then-head of White Weld Treasury repos, Alan Nowick, with three local Florida brokers who lent their names. Ronnie Ewton (E), Robert Seneca (S), and George Mead (M). Nowick was the brains of the operation, until his death in November 1984 caused ESM to unravel.

Most ESM repo business came from Jimmy Carter's ambassador to Switzerland, Marvin L. Warner, whose son-in-law is Stephen Arky, the Miami lawyer for ESM and chum of Ewton.

Both Ewton, and Mead worked at BBS until 1975, when they moved to ESM as founders. ESM in return later sent Andrew Ledbetter to BBS. Ledbetter is named in the suit filed this week against BBS by the Securities and Exchange Commission.

As with ESM, the SEC has charged that BBS officials misused clients' money. It is alleged that BBS transferred securities into its Asset Management division for company use without the knowledge of the banks holding the securities.

Over 75 thrifts could be involved, including losses up to \$223 million. Wirthen Bank of Little Rock, Arkansas may lose \$52 million. Fort Lee Savings & Loan of New Jersey has \$35.8 million in BBS. The Cross County Federal S&L of Oueens, New York lost over half of its capital ("net worth") in the fracas, and of the other 50 S&LS involved, 20% have potential exposure even greater than their net worth.

Texas Bankshares has been added to the list of losers; it has already had its stock downgraded by the SEC. GreatAmerican Federal Savings in Oak Park, Illinois, said they will also lose big.

Another striking similarity between the companies is their strong ties with certain Democrats.

Two prominent Democrats were hired by BBS as part-time senior vicepresidents in the early 1980s. One, Evan S. Dobelle of Pittsfield, Massachusetts, after serving on the Democratic state committee there, went on to become treasurer for the Democratic National Committee in 1978-79. while Jimmy Carter was President. The second, David E. Phelps, also of Massachusetts, was a staff member of the Democratic National Committee during the same period, working with Dobelle. The two were brought on board at BBS when the firm entered the big time with a major expansion and move into Livingston, New Jersey in 1981.

Agriculture by George Elder

The planned theft of America

A new land bill is designed to lure farmers into selling their birthright and future for the privilege of becoming a slave.

Inside sources have informed this author that a plan is now in progress to create a new federal agency, the Agricultural Conservation Corporation (ACC), which is to become the largest agricultural landowner in the United States, by buying out farmers and leasing their land back to them. This is the most ominous move in agriculture since the current farm crisis began.

The people behind the scheme are presenting it as an answer for farmers caught in an insoluble financial dilemma. On the contrary, it is designed to permit the foreign enemies of this nation to assume ownership of its lands. The plan, in the name of financial salvation, will lure farmers into selling their birthright and future for the privilege of becoming a slave. This evil program will help farmers out of their debts, and their farms and homes.

The ACC is a new scheme formulated on the basis outlined by Neil Harl, an alleged farm economist at the University of Iowa. The reason for the farmer's problem, according to Mr. Harl, is that he spent too much, and doesn't have enough left to service his debt. Forget about the interest rates he pays—usury—or the prices he receives from the cartels—theft.

The forces behind the ACC plan include the Federal Credit Administration, the Independent Bankers Association, the American Bankers Association, and, according to some sources, the farm organizations themselves. Government control would be nominal: The ACC would be run by

food-cartel assets in the government, like Agriculture Undersecretary Daniel (throw him to the lions) Amstutz, a "former" Cargill executive.

It is reported that the requisite legislation already has sponsors in the U.S. Congress. Some interested legislators include Sen. James Exon (D-Neb.) and Rep. Virginia Smith (R-Neb.).

The mission of the ACC is to buy up \$20 billion worth of farmland, ostensibly to stabilize plummeting land prices. To give a point of comparision: Assuming a value of \$1,000 per acre high, since much of the country hasn't seen such a price in months, even years—the ACC's \$20 billion would buy 23,529,411 acres of land when one notes the payment schedule includes ACC stock. In addition. 630,000 acres of foreclosed land held by the Farmers Home Administration will be transferred for stock. At minimum, the ACC will buy up at least 24,159,411 acres!

The total acreage harvested in Iowa in 1984 for feed corn—and Iowa leads the nation—was 12,900,000; Iowa's soybean acreage, in which it is number-two, was 8,400,000, for a total of 21,300,000. The ACC will own 13% more land.

In fact, the ACC's projected 24 million acres is equal to 36% of the total wheat land harvested, or 34% of all the corn land harvested, or 37% of all the soybean ground harvested in 1984. This represents approximately 12% of all the land devoted to wheat, corn, and soybeans in the United States.

How would this great landlord function? The poor farmer who is leaving the land will also lose on the deal because of the way he is paid. For a piece of land for which he would expect to receive \$1,000 per acre, he will instead receive \$850 per acre in cash, plus stock in the ACC equal to 15% of the value. Moreover, the stock will earn nothing for 10 years. (The land from the Farmers Home Administration will be paid 100% in stock.)

Under the ACC plan, a farmer would be able to rent back his land—if he could afford to—for 6% of the total price paid for the land. Therefore, if the land sold for \$1,000 per acre, the farmer could rent it back for only \$60 per acre.

Sound good? That's what they hope the farmer will think. But wait: The leases only run for three years. Moreover, the ACC would not only buy land over a five-year period; it would sell it over a ten-year period. At any time, the land could be purchased for 115% of it's purchase price—by anyone. The ACC is thus guaranteed a 15% profit on the sale. The Secretary of Agriculture, through local soil conservation offices, could declare land "fragile" and deed-restrict the land to "soil-conservation" uses.

Just who do you think will be doing the buying? Obviously not dispossessed farmers. This evil legislation will override state laws, and is designed to enable the grain cartels and the foreign oligarchs we fought to gain our independence to buy up an improved America cheap. The farmer? He might be able to continue to rent—i.e., he will become a share-cropper.

Legislation of this type was pushed by the oligarchs in Denmark and defeated by the farmers of that country led by Vagn Eskildsen. Americans had better be just as successful.

Pestilence of Usury by Valerie Rush

'Cut off their insulin': McNamara

Introducing a new department: a weekly global update on IMF/World Bank crimes—and patterns of resistance.

WORLD BANK head Robert "Strange" McNamara responded recently to journalists asking what his response would be if Ibero-America were to stop paying its debts. The strange Mr. McNamara answered: "We would blockade it and cut off its supply of insulin." His response was reported in an April 16 editorial of the French daily *Le Monde*, and then picked up and broadcast inside Colombia by Radio Caracol.

75% OF PERUVIAN voters voted against the International Monetary Fund in Peru's first-round presidential elections. The victor, Alan Garía, told the press on April 16 that his government would "pass over the International Monetary Fund so as to address our creditors directly." Characterizing the IMF's oversight of Ibero-America's economies in the context of debtmanagement as "absurd" and representing a new form of colonialism, he declared that "Latin America has to give a common answer. One country by itself cannot pay its debt. Only together will we be able to win better conditions in order to pay. . . . We need to go back to the concept of a new world economic order. We have to reshape the game."

PERUVIAN ECONOMIST Manuel Moreyra, expected to take a high-level financial post in the new Peruvian government, similarly declared: "Peru will not have any negotiations with the IMF, because the IMF has shown that it is technically incompetent and its programs don't work. . . If this means

an interruption of international payments, it doesn't matter."

GAAFAR NUMAYRI, the ousted President of Sudan, told the Washington Post on April 3 that the International Monetary Fund was responsible for having "broken my seat" by insisting that Sudan immediately pay \$120 million in arrears. While in Washington, D.C. during the outbreak of the coup, Numayri had pleaded with the Reagan administration and international lenders to treat Sudan as a "special case" and to give it at least four to five years to recover from the drought which had devastated its economy.

AFTER PROTESTS exploded across the Guatemalan social spectrum, on April 12 President Oscar Mejía responded by rescinding a series of harsh austerity measures he admitted were dictated by the International Monetary Fund and imposed on April 8. Mejía also fired his finance minister, Leonardo Figueroa Villate.

The measures included general tax increases, tariffs of up to 50% on imported goods including construction equipment and auto and truck parts, a one-third increase in interest rates, and new taxes on agricultural exports. The protests, which involved work stoppages, housewives' "pots and pans" demonstrations, and scheduled fiveminute horn honking in middle-class districts, were accompanied by strong coup rumors among military layers. Mejía announced his decision to retract the austerity program in a nationwide address in which he warned of plans to destabilize his government.

COLOMBIAN LABOR leaders responded to the Betancur government's "informal" surveillance agreement with the IMF with an angry rejection of such Fund "recommendations" as a 10% ceiling on wages, accelerated peso devaluation, increased gasoline prices, suspended export subsidies, etc. Victor Acosta, president of the UTC labor federation, openly denounced the "prescriptions of the International Monetary Fund" and together with CTC federation head, Manuel Felipe Hurtado, declared, "We don't like conditions put on our wages by the IMF."

SEMANA, the Colombian weekly, in its April 2-8 edition, carried an article entitled, "The Passion According to the IMF: Negotiations with the Fund Offer the Country a Black Future." The article notes that under current conditions of social ferment in Colombia, negotiations with the Fund "could lead to an explosion of unpredictable violence." Semana quotes a political observer: "Soon it will not matter who the finance minister is, but how the labor ministry functions, and in the final analysis, what the defense ministry does."

ACTING BRAZILIAN President Sarney informed the press on April 1 that investigators of the International Monetary Fund will no longer be permitted to circulate freely among the various Brazilian ministries collecting data (and gossip). Sarney declared that all Fund requests for such data must now be formally channeled through the Central Bank.

Sarney's announcement was made on the heels of the arrival of IMF staffer Ana Marie Jul in Brasilia. When asked by the press if she felt she had been granted a poor welcome to Brazil, Miss Jul refused comment.

Soviet Economy by Konstantin George

Russians and robots

Those who say the Soviet empire is crumbling from its own economic difficulties are in for a rude surprise.

In early March, soon before Mikhail Gorbachov's formal assumption of power, Radio Moscow announced, "There are now more industrial robots in operation in the Soviet Union than in the United States and Western Europe combined, though not as many as now in use in Japan." The broadcast added that the Soviet leadership had decided to expand the program to automate large sections of Soviet and East bloc heavy industry during the 1986-90 Five-Year Plan.

This fact, fraught with military-strategic significance, is never mentioned in the Western media. Since Yuri Andropov came to power in November 1982, the words "industrial robots" and "micro-electronics" have appeared in the Soviet and East German media as many times as "peace movement," far more often than "proletarian internationalism," and—in the Soviet media—about as often as "sacred borders."

Note the following items, chosen from the East German Socialist Unity Party newspaper *Neues Deutschland* during one typical week in March of this year:

March 16-17: At the mining and steel complex Freiberg Bergbau und Hüttenkombinat, "several production lines were streamlined with four industrial robots . . . for the production of cooling systems for locomotive diesel engines. There has been an 80% increase in productivity."

March 20: The Machine Tool Kombinat Umformtechnik in Erfurt "has installed a new automated forge

press complex . . . a 45% improvement in productivity."

March 20: At a foundry in Eberswalde-Finow, "300% higher productivity has been reached through automating forge presses and pressure casting machines, 3 of the total of 10 machines now perform automatically with the help of robot technology."

March 21: The Betonkombinat Magdeburg, which makes concrete slabs and blocks, "already has 17 industrial robots in operation, lifting and moving slabs up to five tons. Now, six more will be added."

The magazine of the Soviet foreign trade ministry reported in its April 1984 issue that the Comecon countries had agreed on the goal of placing 200,000 industrial robots in operation by 1990. Large retooling of production facilities is underway to meet this target. Czechoslovakia, which will have produced over 3,000 robots between 1983 and the end of 1985, will produce at least 13,000 industrial robots during the next Five-Year Plan.

To report objectively on this phenomenon would puncture one big prop of the thesis that the Soviet Union is a "crumbling empire"—namely, the assertion that it has "a stagnating labor force." In terms of raw numbers, there is indeed stagnation. In 1979, for example, 2,300,000 joined the work force; in 1983, only 900,000, and the decline continues. But through the introduction of industrial robots and automating entire production lines, the stagnation is being overcome. This is not only the case in the Soviet Union,

but in the industrial heavies of the Comecon, East Germany and Czechoslovakia, beset with zero population growth.

The industrial workers being "automated" out of their present jobs will be retrained to fill new jobs in the expansion of the automated plants, or moved either to the expanding warproduction sector or to new industrial enterprises. Automation will not replicate the U.S. and West European phenomenon of industrial shutdown and "post-industrial" ballooning of the so-called service sector.

A good example of the scope of the Soviet industrial automation program is provided by what is happening in the southern Urals industrial city of Chelyabinsk, with its famous tractor plant—nicknamed in World War II "Tankograd." Neues Deutschland of March 21 reported: "Through the introduction of flexible, automated production systems, robotized assembly lines, manufacturing centers and machine tools, one-third of all jobs will be replaced during the coming Five-Year Plan (1986-90). In this way, 12,500 workers from the tractor plant will be freed for other activities. Not least of the results of this rationalization, capacity is to be doubled."

A Chelyabinsk plant director from another heavy industry plant is quoted, "Last year, our production increased by 40% and labor productivity by 45%. 300 workers could be transferred to other activities, and by 1990 another 1,500 will be thus replaced and transferred."

The automation reported for the tractor plant is totally suited for tank and military vehicle production, to name but one military application. With the prioritization of the war economy, the heavy rates of automation in the civilian sector are dwarfed by what is ongoing in the military sector.

18 Economics EIR April 30, 1985

Medicine by John Grauerholz, M.D.

Herpes cure has larger implications

If effective treatment has been developed for one set of viruses, then time and research will produce cures for others.

Genital herpes infection, which occupied a great deal of press space a couple of years ago, was eclipsed by the deadlier AIDS (Acquired Immune Deficiency Syndrome). Unlike AIDS, whose cause was only discoverd last April, the virus responsible for herpes was well known and research was vectored toward finding a vaccine, or a cure.

At the time the herpes epidemic first came into prominence there was no known cure for any viral disease, in the sense of an antibiotic or chemotherapeutic agent which would kill a virus.

Unlike bacteria, whose existence requires synthesis of proteins and other chemicals, and are thus susceptible to agents which block the production of these necessary chemicals, viruses consist of genetic material, DNA or RNA, coated by a protein produced by the machinery of the infected cell.

So, an antiviral chemical would have to interfere with the reproduction of the genetic material itself. The problem was to find a chemical which would interfere with reproduction of the viral genetic material without interfering with reproduction, or function, of the body's own genetic material.

This problem had been first confronted in the development of anticancer chemicals which interfered with DNA or RNA synthesis in cancer cells. These chemicals affected the genetic material in all rapidly dividing cells, not just cancer cells, and hence had a

number of side effects related to destruction of these normal cells.

In 1982, a drug called acyclovir was found to be effective against herpes viruses. It was initially produced in an ointment form for application to oral and genital sores caused by herpes simplex virus, and in an intravenous form for administration to severely ill patients suffering from herpes encephalitis. Now, a pill form of the drug is available which is even more effective than the ointment against oral and genital herpes.

Acyclovir is effective against all forms of herpes viruses, which include: herpes simplex I and II, responsible for oral (cold sores) and genital herpes; Varicella-Zoster virus which causes chickenpox and the painful affliction known as shingles; cytomegalovirus, which causes devastating disease in newborns, and a lingering febrile illness in children and adults. and has been implicated in the development of malignant cancers in AIDS victims; and Epstein-Barr virus, which causes mononucleosis and the malignant tumor known as Burkitt's Lymphoma.

If oral acyclovir is effective against just this collection of viruses, it will significantly curtail a major source of morbidity and mortality, both here and in the developing sector.

Cytomegalovirus and Epstein-Barr virus cause chronic, debilitating illnesses associated with immune depression. Cytomegalovirus was once a leading contender as the cause of AIDS, because of its high incidence in AIDS victims, and is one of the viruses which plague immunosuppressed individuals, such as transplant patients. Epstein-Barr virus, in addition to classic mononucleosis, also has an extended chronic phase in some individuals. This is particularly ominous because of the ability of both these viruses to induce malignant transformation in the immune system.

Chronic infection with both these viruses appears to be increasing and causes decreased energy and stamina in affected individuals, reducing their productivity. Chronic Epstein-Barr virus infection, in particular, produces debilitating fatigue and chronic flu-like symptoms that never completely resolve. These illnesses are generally not severe enough to justify hospitalization and intravenous therapy, and so an effective oral therapy would be a godsend to these people.

Herpes Zoster, or shingles, is an extremely painful eruption of blisters which form on the skin overlying a nerve. In its acute phase, the pain can be incapacitating.

As useful as treatment of these conditions themselves would be, the ability to develop an effective agent against one group of viruses indicates that an active research program would result in effective drugs against other viruses. It is this potential which must be realized to deal with the growing threat of pandemics, such as influenza. Once an epidemic has started, immunization does nothing for those already affected and in some cases effective vaccines do not exist.

To make the point clearer, while we presently lack effective vaccines against herpes viruses, we now have an effective treatment. Similar situations may occur with other diseases, such as AIDS and the common cold. Only time, and active research, will tell.

EIR April 30, 1985 Economics 19

BusinessBriefs

Domestic Credit

Feds take over Utah S&L

Utah's third-largest savings and loan bank, Utah Savings and Loan, was taken into receivership by the Federal Savings and Loan Insurance Corp. on April 12. With \$700 million in assets, this is the largest S&L to be taken into federal receivership.

The bank collapsed following a March 2 federal audit, which wrote down bank assets by \$79 million. It is suspected that real estate owned by the bank was grossly overvalued at the direction of the Utah Savings' former manager, O. J. Oldenburg. A former owner of the Los Angeles Express football team, Oldenburg is currently the subject of a grand jury investigation. Similar shady real estate and drug dealings by financier Marvin Warner of Florida's ESM Securities resulted in the March collapse of Home State Bank of Cincinnati, Ohio.

Asian Development

Indian trade with South Korea gets boost

The Minerals and Metals Trade Corporation (MMTC), an Indian state-sector enterprise, has just signed a 10-year iron ore export contract with a South Korean firm. The agreement is just one result of stepped-up exchanges between Indian and East and Southeast Asian trade delegations.

Iron ore exports will rise to six million tons on the condition that India undertake the development of port handling facilities to handle large ships. Increased offtake of iron ore from India is linked to the commissioning of the Pohang steel company's new steel plant in 1987.

The MMTC team also secured a contract for \$50 million worth of coal wanted by the South Korean Electricity Board, and tentative agreement for export of granite, shellac, and hand tools.

In a novel development, the MMTC team expects to sign an agreement with at least one large Korean firm shortly for "reciprocal

representation." Under this arrangement, explored with a number of South Korean firms, MMTC will represent the Korean firm in East Europe and African markets where it has strength and the Korean firm will in turn represent MMTC in those markets where it has dominance.

Manufacturing

Steel industry collapse worsens in the U.S.

Wheeling Pittsburgh steel company announced April 16 that it is filing bankruptcy proceedings. Lenders already hold liens on all of its assets. Wheeling Steel employs 8,200 people in nine plants in Pennsylvania, Ohio and West Virginia.

Ohio's Armco, Inc. is considering selling off parts of its steel-producing assets to employees, including its international corporate headquarters at Middletown Works. Three consecutive years of losses and the collapse of the company's speculation ventures in insurance have hurt badly.

Agriculture

A new U.S. dust bowl worse than the 1930s

A new Dust Bowl is starting in the Western portion of the Midwest United States and the Northern tier of states. Montana, North Dakota, South Dakota, Colorado, and Wyoming now have as much land without cover as they did during the Dust Bowl of the 1930s; a total of 10.7 million acres without cover lie open to the wind—the major culprit in the loss of soil in what was once America's breadbasket. Large portions of Kansas, Nebraska, New Mexico, and Oklahoma are also affected.

This is just the beginning. As winter ends, the land dries out from the combined effects of the sun and wind, and the worst of the windy season is yet to come. In the season thus far, four million acres of farmland in 10 states have been damaged, according to the U.S. Soil Conservation Service. Be-

fore the land is considered to be damaged, the soil loss has to be great enough to be visible to the eye. But, according to conservationists, when damage becomes visible, the soil loss is already as much as 10 times more than the soil can stand before its productivity is reduced drastically or totally destroyed.

Soil Conservation Service Chief Peter Myers estimates that about 60% of this season's damage has occurred since Jan. 1. Of the land involved, 96% was cropland and 3% rangeland. In addition, wind-blown particles damaged nearly 200,000 acres of crops or pasture. According to Myers, most of the damage occurred on land without crops or crop residue.

In Texas, the hardest-hit state, wind has torn up 1.4 million acres. In Montana, 1.1 million acres have been affected; in North Dakota, 727,500.

By March, approximately 17.8 million acres of land in the Great Plains were reported to be inadequately protected by crops or cover, and therefore susceptible to wind erosion. This figure is higher than at any time in the last 30 years.

Gross National Product

Balderdash from the Commerce Department

When EIR correspondent Nick Benton asked Commerce Secretary Malcolm Baldrige, at a press conference in Washington on April 18, to explain the Commerce Department's use of GNP statistics which fail to distinguish between productive and non-productive sectors of the economy, he was answered with an impassioned tirade:

"To make a distinction between productive and non-productive economic activity is balderdash. We are shifting the emphasis of our economy toward a service economy, and are enjoying considerable growth in that area. . . . Every economy of the advanced sector is moving in the same direction toward a service economy as we are Service economy is not understood by people who think it only means more McDonald's hamburger stands. It means much more than that, such as software, telecommunications, banking, and insurance. It is what is provid-

ing jobs for our economy now. If we were not in the leadership in these areas, we'd be in sorry shape. It is a natural phenomenon to move in this direction, and it is also the direction in which the developing-sector nations are moving."

Chemical Industry

Pesticide shortage will reduce crops

A shortage of pesticides based on methyl isocyanate, or MIC, has resulted from the shutdown of Union Carbide—the major supplier of the chemical—in Institute, West Virginia. The factory was closed on Dec. 3 following an MIC leak at the Union Carbide plant in Bhopal, India.

Company spokesmen stated that MIC is included in the formula of about 25% of all the pesticides in the world, reported the New York Times. Growers said the shortage in the United States and abroad would force them to use less effective alternatives that would raise costs and reduce yields. Some distributors said they had less than half of what they needed of one pesticide, Temik. Other countries that face shortages are West Germany, France, Spain, Britain, Brazil, Egypt, and Sudan.

Ibero-America

Chembank: War on drugs is bad for business

The Bogota daily *El Espectador* charged April 17 that New York's Chemical Bank, whose analysis on Colombia's financial situation says that the government's war on drugs has hurt the nation's liquidity, is intervening in the country's internal affairs. "One could conclude . . . that unhealthy intentions" stand behind Chemical's study of Colombia, *Espectador* says, constituting "a veiled order of counter-march designed to align our country with the semi-colonialist sphere of lackey governments."

The study, commissioned by Chemical Bank from Frost and Sullivan investment

risk consultants, declares that "the fight against drug trafficking, in the wake of the murder of Justice Minister Rodrigo Lara Bonilla, has reduced the flow of foreign exchange to the country, and it has contributed to increase the problems of the country's international reserves."

Espectador's economics editor Marcela Giraldo was told by sources at the International Monetary Fund and the World Bank that "observations are made about the economy, about the loss of exchange because of the effort and continuity in fighting drug trafficking, but which, paradoxically, and according to the same sources, was one of the determining aspects for the recent support that the U.S. government" gave to Colombia in negotiations with international banks.

Soviet Economy

1st quarter production criticized

An April 19 meeting of the Soviet Council of Ministers issued a communiqué criticizing "unsatisfactory results" in industrial production during the first quarter of 1985. Production rose by only 2%. The communiqué attacks energy and transport sectors, as well as other industries, noting "shortcomings in the organization of production," and "irresponsible mismanagement."

In the past, these attacks have usually preceded purges in the government. On March 23, Pyotr Neporozhnii was removed after 23 years as minister of power and electrification, one day after a *Pravda* editorial attacked his ministry's record on rural electrification. If *Pravda* editorials are any guide—editorials which have been scoring the performance of the ministries of mining, coal production, and transportation regularly—then other heads will soon be rolling. At the April 18 session of the Soviet politbureau, the iron and steel industry ministers of the Soviet Union and the Ukraine were reprimanded by name.

The purges are a continuation and consolidation of the conversion of the Soviet economy to war-footing begun under Andropov and continued under Chernenko and Gorbachov.

Briefly

- 'IT'S PREPOSTEROUS to say there is any link between IMF conditionalities and epidemics in Africa," World Bank President A.W. Clausen told a reporter April 19 at the close of the IMF's Interim Committee meeting in Washington. He said he was "unaware" that there is a significant problem of epidemic diseases in Africa. Clausen insisted that deep cuts in spending on health and nutrition programs are necessary in the developing countries "to ensure long-term growth. We can't just consider short-term factors when dealing with these economies," he said.
- MITSUBISHI and Chrysler announced agreement in principle for construction of 180,000-capacity car factory in the United States. The cost would be \$500 million, split 50-50, with Mitsubishi taking the lead in day-to-day operations and plant and car design. The plant is scheduled to go on line in the second half of 1988 and employ 2,500 workers at full capacity.
- THE BRITISH POUND is rising sharply against the dollar's decline in the past six weeks. According to a number of London financial analysts, the recent rise of sterling is due to massive British interest-rate rises "magnificently timed to coincide with Central Bank intervention last month against the dollar," as well as growing concern over U.S. internal banking troubles. One rumor, as yet unconfirmed, is that certain Middle East banking interests are also helping the pound against the dollar.
- 'A GAMBLING MECCA could rise south of the border," reported syndicated columnist Liz Smith April 19. Representatives of the Las Vegas and Atlantic City casinos are in Mexico, pressuring the government to turn the country "into the new gambling capital of the world." This would provide "booming employment." Smith also hints that recent publicity over crime against tourists in Mexico might be part of the pressure campaign.

EIR April 30, 1985 Economics 21

EIRSpecialReport

IMF's ecological holocaust: more deaths than nuclear war

by Warren J. Hamerman

From approximately Labor Day weekend through Christmas 1974, at the initiation of Lyndon H. LaRouche, Jr., I directed the work of a task force which produced a study forecasting the consequences to the world's population and the biosphere as a whole, were the "zero-growth" policies then being implemented by the International Monetary Fund and Robert McNamara's World Bank not drastically altered. This "Ecological Holocaust" study was one of the principal projects which developed into the founding of the Fusion Energy Foundation that fall, and the progress of the study was announced at the FEF's founding event at the Tudor Hotel in New York on Nov. 23, 1974.

Our study followed the research guidelines of a special memorandum prepared by LaRouche, mandating the study and outlining the methodology to be pursued. The preliminary results of our study, including prepared graphs, maps, and charts, were presented by a member of the task force on Dec. 28, 1974 to a conference of the National Caucus of Labor Committees in New York City. Some of these graphics are reprinted in this *Special Report*.

We forecast at that time that, given the policies then being implemented by the IMF and World Bank to slash the food and energy consumption of the world's population, a global ecological holocaust would be the inevitable consequence. The new policies of the IMF and World Bank included the vicious "triaging" of certain nations and whole regions of the world, which were given the designation of "the Fourth World." These Fourth World areas were written off as unworthy of any investment for economic development. Whole nations were being written off as "bad credit risks" and established as looting zones. At LaRouche's suggestion, the task force proceeded to investigate what the consequences would be of the IMF and World Bank applying Adolf Hitler's economic policy of "primitive accumulation" against labor and capital infrastructure, to the world as a whole.

We warned of the specific disease pandemics and famine deaths which today, 11 years later, are occurring.

Our specific conclusions were:

1) The holocaust would develop in successive waves of famine and disease,

The graph, first published in December 1974, shows schematically the expected increase in deaths (dotted line) and the catastrophic increase in the death rate (heavy line), as described in the study of the coming ecological holocaust by the research team headed by the author. The study projected blight and collapse of basic agricultural production capacity in 1980, 1982 and 1984, leading to a full ecological holocaust in 1987-88, if the policies of the International Monetary Fund were not stopped. In the photograph: victims of drought and famine in Ethiopia in November 1984.

ratcheting downward in a succession of exponential step functions, to a final breakdown phase and into a full ecological holocaust in the period 1987-88. This process would undergo several phase changes, which can be approximated in simplified form by the classic thermodynamic progression from ice to water to steam. The principal global phase changes, prior to the 1987-88 period, were forecast to occur in 1980, 1982, and 1984, as blight and collapse of basic agricultural production capacity were expected to hit Ibero-America and famine conditions were to strike the underdeveloped nations of Asia, Africa, and Ibero-America.

2) Preceding the final breakdown period, we forecast the outbreak of a cholera pandemic in Africa. We presented a historical study of the spread of pandemic cholera in the early to mid 19th century. We mapped the way the cholera pandemic had originated in India, spread rapidly to Southeast Asia, Japan, the Mideast, the north and east coasts of Africa, Western Europe, and from there to the Americas. Our task force presented a forecast map, upon which we charted the route of the 1970s "El Tor" cholera pandemic, which had originated in Southeast Asia. We predicted that in the 1980s, there would be a vicious renewed outbreak of a cholera pandemic in the region of the famine-wracked Sahel of Africa. Among the distinctive features of our study was the forceast that the cholera pandemic of the 1980s, unlike the one of the 19th century, would be initially centered in Africa. We feared, as well, that at a certain stage the cholera pandemic would be complicated by renewed outbreaks of Bubonic Plague ("Black Death") and new mutated, even more deadly forms of disease, which would totally overwhelm the immunological defenses of populations. In the final phase of ecological holocaust, various strains of pandemic diseases would simultaneously attack the world's flora, fauna, and human populations—spreading rapidly throughout Africa, Asia, and Ibero-America, as well as invading the advanced-sector areas of North America, Europe, and Japan.

- 3) The task force presented data estimating that the final phase of ecological holocaust would take a toll far, far greater than did the Black Death centuries ago. The specific death estimates through the 1987-88 phase change, we forecast to be approximately one billion persons, distributed as follows:
 - 56,423,000 deaths in West Africa;
 - 10,672,000 deaths in North Africa and the Mideast;
 - 73,428,000 deaths in East Africa;
 - 749,277,000 deaths in Asia;

%

- 81,019,000 deaths in Latin America;
- Total global deaths = 970,819,000.

The approximately 140,000,000 deaths by 1987-88 in Africa alone which we forecast is *slightly less than half* the number of Africans (300,000,000) now threatened with death by the outbreak of a cholera pandemic in the precise zone of Africa which we had pinpointed 11 years ago.

4) The "cost-efficient" World Bank programs of Robert McNamara in Ibero-America would generate conditions of laterization and erosion of topsoil. Ecological collapse would result in the areas of fragile jungle ecology, which would be compounded by the high rainfall. As topsoil and nutrients were washed to the sea, sheets of mineral salt would remain, which, without fertilizer input, would turn once lush jungle into desert. The beginning destruction of a vast jungle area

EIR April 30, 1985 Special Report 23

such as the Amazon would have global consequences on world weather patterns.

We warned that the policies of the IMF and World Bank, modeled upon the programs of Hitler's Economics Minister Hjalmar Schacht, would cause mass murder and genocide. What the LaRouche task force warned would be the consequences of repeating Adolf Hitler's economic policies on a worldwide scale, is now occurring. Those who have implemented these policies have not merely mistakenly committed mass murder on a scale greater than Hitler did; they did so consciously. In fact, various proponents of "massive population reduction" programs for the developing sector have insisted in private discussions that outbreaks of disease are the most effective way of "eliminating" large numbers of people rapidly. Advocates of the notorious Global 2000 program of the Carter administration's State Department, for example, have been documented to advocate such mass murder. In addition, associates of the late Aurelio Peccei's Club of Rome have referred to disease as the most "effective" means of population reduction of the Four Horsemen of the Apocalypse.

We have the proven scientific authority to now assert: Unless those policies of the IMF and World Bank are immediately halted, and measures implemented to repair the damage of the last 11 years, in the period leading into 1987-88, mass murder of the world's population and irrevocable collapse of the entire biosphere will occur on a scale far, far more devastating than that which would result from full-scale thermonuclear war!

What is an ecological holocaust?

The LaRouche task force described how, in the final phases of ecological holocaust, disease organisms would have an increasing chance to successfully mutate into more virulent strains, as the resistance of the human population is lowered. Disease mutants would be less likely to die out, because the human population's immunological defense system would break down under conditions of drastically diminished protein intake and collapse of basic irrigation, sanitation, and other health services. Under such conditions, the increase in the total disease population leads to the possibility of an increase in the rate of evolution of any given disease, and then the cycle continues.

Our basic thesis in 1974 was that the outbreak of epidemics and pandemics was not limited to the individuals or subpopulations catching or carrying the disease, but rather, especially under conditions of massive reductions in the living standards of populations, was a threat to the human species as a whole. Furthermore, the disease outbreaks were only one prominent feature of what could become the full-scale collapse of man's biosphere itself, subsuming breakdowns in flora, fauna, natural irrigation, and weather cycles, among other effects. One feature of the work of the task force was the intensive historical study of 1) The Black Death or "Bubonic Plague," which in the mid-14th century wiped out

approximately 50% of the European population in just a few years; 2) the cholera pandemics of the 19th century, which originated in India as a result of the brutalizing policies imposed there by the British, and then swept rapidly in successive waves to Southeast Asia, Japan, the Mideast, the north and east coasts of Africa, Western Europe, and from there to the Americas; and 3) the killer influenza pandemic which killed more people in six months of 1918 than had died in the entirety of World War I.

We learned from these studies both qualitative features—principally that under conditions of globalized economic brutality, full-scale economic/biological breakdown crises occur as one coherent process—and quantitative features—principally that under pandemic conditions, annual death rates shoot up into the 20-25% range. Thus the outbreak of an epidemic in one portion of the human species was in fact a threat to every member of that species. We anticipated that, given the interrelated nature of the world economy in the late 20th century, this feature would be even more pronounced. At Lyndon LaRouche's emphasis, we therefore adopted as our basic modeling concept an exponential step-function model for ecological holocaust.

The 'weak link'

We analyzed the link between collapsing living standards and the development of pandemics:

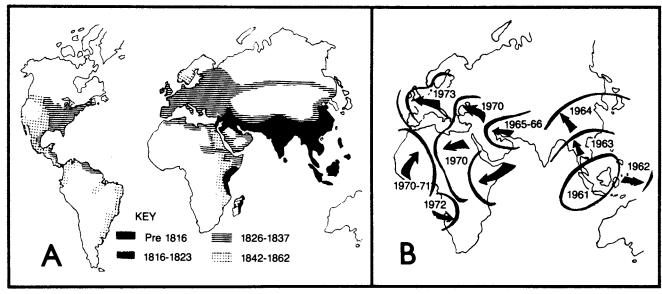
To understand this entire process of ecological collapse, it is critical to understand it as a process of the total ecology, not of individuals. The history of epidemics demonstrates that epidemic disease occurs only when a "weak link" exists in the human species as a whole. Disease attacks the weakest, least resistant area, when that area is surrounded by relatively low levels of resistance—even though the resistance is higher in surrounding areas than in the "weak link" areas. Therefore, new diseases are produced in the areas of the lowest standard of living, and then begin to spread.

For example, at the beginning of the 19th century, cholera was unknown throughout the world. As the British Raj lowered the standard of living in India in approximately 1816, a pandemic started to spread outward from India throughout the entire world.

During the 20th century, India has been the "weak link"—India and what is now Bangladesh—so the identical process is now occurring. As the general process of economic decay started to hit Southeast and South Asia, cholera began to spread. If you read textbooks dating from 1960, cholera had been wiped out outside of this area. At the end of the 1960s, however, a new mutant variety of cholera began to spread outward from Southeast Asia and Bengal through India, arriving by the late 1960s in the Mideast and—with continued deterioration of living conditions—arrived by the early 1970s in Africa. . . .

24 Special Report EIR April 30, 1985

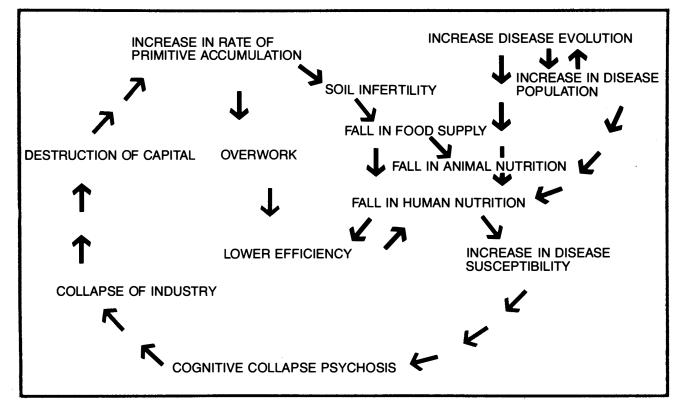
Highlights of the 1974 study



The spread of pandemic cholera. Cholera swept the globe in the early mid-l9th century. Originating in India, cholera spread rapidly to Southeast Asia, Japan, the Mideast, the north and east coasts of Africa, Western Europe, and from there to the Americas, as shown in Map. A.

Map B traced the route of the El Tor cholera pandemic, which originated in Southeast Asia. Geographical progress of the two pandemics are noticeably similar: In the 1970s' pandemic, however, Africa (and especially the famine-wracked Sahel) is hard hit, unlike the earlier one, where a relatively unexplored African continent was touched only peripherally.

Maps are reproduced from the 1974 study.



Schema showing process of ecological holocaust, which would advance devastatingly if diseases spread unchecked, production collapses, and primitive accumulation and starvation drive humanity into psychosis. Source: New Solidarity, Jan. 16, 1975.

Once this process of the spread of epidemic diseases through populations starts, the disease itself begins to aggravate nutritional problems. You lose nutrients in fighting off a disease, in coughing, and so on. Next time around, you're even weaker—more susceptible, to the disease. At the same time the disease rate, the rate of evolution of new diseases, increases. . . .

The 1974-75 task force warned that the very areas which the World Bank and IMF wrote off, classifying them as "the Fourth World," were the areas where plague and other diseases are endemic. These areas were identified as the African Sahel, the Rio de la Plata region of Latin America, northern Brazil/Venezuela, the Middle East, Southeast Asia, and the Indian subcontinent.

20th-century pandemics

During the 20th century, protein intake of populations was drastically reduced around the period of the pre-World War I global crisis and the subsequent war, and then again during the Great Depression of the 1930s. Under the brutal policies of British colonialism, India suffered five major famines in the first 20 years of the 20th century alone. The collapse of living standards around World War I was compounded by the outbreak of plant diseases. In 1917, potato blight destroyed 40% of the Eastern European and Central European potato crop. The collapse of protein intake in the advanced countries began simultaneously, as well as the increase of disease potential throughout the world. Waves of epidemics swept Czarist Russia. In 1917, there were epidemics of syphilis and measles.

In 1918, this process peaked, with the outbreak of a virulently mutated strain of influenza—unlike any influenza today—with an enormously high mortality rate. It killed over 25 million people in six months, half a million in the United States alone! During the 1930s Depression, a similar process occurred, again precipitated by policies which drastically reduced the general nutritional levels of populations.

The consequence: unstoppable collapse

We summarized the results of our study with the following analysis:

In conclusion, taking the process of ecological holocaust as a whole, we see a series of interrelated cycles: the fall of soil fertility leading to a fall in food supply, leading to a fall in nutrition of both human beings and animals, leading to a lower efficiency of human metabolism and further drops in nutrition, leading to an increase in the disease population, a further fall in human nutrition, and further susceptibility to disease. The cycle as a whole leads to a general collapse of the cognitive abilities of the population, to mass psychosis, collapse of industry, destruction of wealth, and therefore an increase in the driving force behind the holocaust.

The study then projected a step-function process of accelerating waves of famine, disease, and industrial collapse, to a period in the mid- to late-1980s. We asserted:

With the collapse of the "redevelopment" projects in "Fourth World" areas outside the Middle East, with the spread of famine, the potential for pandemics of bubonic plague would already be present and would actually be realized. To the extent that a general financial collapse was occuring simultaneously, areas of the advanced world—especially those dependent on imported food, such as Japan—would be vulnerable to plague, especially to the extent that sanitation, antirat measures, etc., are at a primitive level, as in Italy now.

Under these conditions, we projected that at a certain point the biological-ecological collapse would be *unstoppable*. We envisioned the following horrifying situation:

You have to envision an environment of enormous speed-up, vast brainwashing, general hopelessness, superimposed on the sorts of psychosis which are unique to plague and epidemic diseases: workers refusing to transport food into diseased areas, raw materials from diseased areas not being delivered, total collapse of productive processes, increasing psychosis, increasing rate of disease, breakdown of food production. . . .

Once the ecological-biological collapse had reached that level of momentum, the vulnerability of formerly industrial societies, with their very large concentrations of urban populations, would succumb to a full-scale disease/nutritional/industrial breakdown collapse. We forecast that under such conditions, the annual death rate of the world's population would rise from the 3% range to the 20-25% range, which is typical of previous historical periods of plagues and ecological holocaust. Surviving populations, while perhaps too small and scattered to maintain the plague cycle, would eventually succumb to continuing crop failures and transformations of the functioning of the biosphere itself. It is quite possible, we hypothesized, that by the end of the century, the survivors of the ecological holocaust themselves would face a final crisis.

In the immediate period ahead, mankind has one last chance to reverse the IMF and World Bank policies, before the world reaches the point of no return for the final phase of ecological holocaust. Precious little time remains in which to act decisively.

Warren Hamerman, before working on the LaRouche task force, had been a biomedical research assistant working in a scientific laboratory engaged in basic immunological research. He subsequently completed a major study of the life's work of Louis Pasteur, which was published independently by the Johns Hopkins Medical School, the Pasteur Institute of Lille, France, and the Fusion Energy Foundation.

Economic collapse sets off pandemic diseases, as biological holocaust looms

by John Grauerholz, M.D.

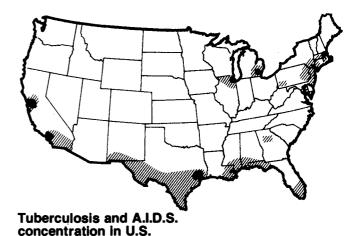
Over a thousand people are currently dying of cholera in northern Somalia every day, in spite of the availability of a widely known, cheap, and effective treatment. "Somebody may be consciously deciding not to treat cholera victims in Somalia," said a leading expert in the field. "I can't figure out why *anybody* need die of cholera. It makes no sense. The oral rehydration treatment is incredibly cheap, costing the equivalent of 10 cents to at most one dollar per person treated, and it is universally known, there's no way possible anybody could not have heard of it."

The cholera outbreak occurred when the latrines of a refugee concentration camp, near the border with Ethiopia, were flooded by a sudden rain and washed into the local water supply for 300,000 people. Barring prompt action, over 200,000 could die before the end of April.

The Somalia outbreak is not an isolated phenomenon, but part of a cholera pandemic which has been going on for the past 10 years, during which the disease, which had been absent from Africa for most of the 20th century, has spread to at least 22 countries on that continent, following big outbreaks in Nigeria in the early 1970s. Cholera is now endemic in 96 countries worldwide, and has the potential to rapidly expand, under collapse conditions, into Europe and the United States.

Approximately 75 regional subdivisions of African countries have serious cholera problems, according to recent data from the Center for Disease Control in Atlanta and the regional World Health Organization office in Washington, D.C. The affected countries include: Benin, Burundi, Cameroon, Equatorial Guinea, Ghana, Ivory Coast, Kenya, Liberia, Mali, Mauritania, Niger, Nigeria, Rwanda, Senegal, Somalia, South Africa, Swaziland, Tanzania, Upper Volta, and Zaire. Two other countries known to have endemic cholera problems, but which have not made official reports to the World Health Organization, are Ethiopia and Sudan.

These lists are based on admissions of serious cholera



problems by health ministers of the affected countries, but one medical professional familiar with the situation in Africa cautioned that "many countries don't report outbreaks of cholera for political reasons, including potential loss of trade." Even when governments report the existence of cholera, or other devastating plagues, to agencies such as the International Red Cross, the reports are not published and the world is not informed that the malnourished and starving population of Africa is being wiped out by pandemic diseases.

Biological holocaust: the IMF's policy

The African crisis is a direct result of the International Monetary Fund's austerity conditionalities, designed to effect the depopulation policies of the Carter administration's Global 2000 report. Under these policies, African agriculture, which once produced exportable food surpluses, has been ravaged and the populations herded into refugee camps, which serve to concentrate large numbers of sick and starving people in an environment suitable to the rapid spread of disease and lacking any means of prevention or treatment. These camps serve as giant cultures for growing viruses,

EIR April 30, 1985 Special Report 27

bacteria, and parasites, and propagating them in a susceptible population.

The IMF response to this breakdown has been to demand even greater austerity and to place increasing pressure on these countries to pay their debt. The only possible result of this policy is to ensure the most rapid possible extermination of the population of black Africa.

The most significant demographic change, which has created the conditions for mass epidemics with a high fatality rate, is a direct result of IMF economic policy. This is the phenomenon of population concentration. In addition to the African concentration camps, resulting from the present acute famine and regional wars, there has been a longer-term process of population concentration under way in the underdeveloped countries. This is the phenomenon of "marginalization," in which rural populations are driven out of the countryside by economic collapse and accumulate around the periphery of major Third World cities, creating a peripheral zone characterized by crowding, filth, malnutrition, and ab-

sence of even rudimentary medical and sanitary facilities. As the infrastructure of the cities themselves breaks down, an epidemic unleashed in the marginal zone would quickly "implode" the urban center.

Thus, we are witnessing a very efficient and inexpensive method of targeting and destroying large populations in the Third World, while avoiding the expense of nuclear or conventional weapons. The "infrastructure" for transmission of the diseases would consist of the population itself plus the rats and other vermin which act as carriers for the various microorganisms.

It is in this context that the World Health Organization recently reported that every minute, 10 children under five years of age die and 10 more are handicapped for lack of vaccines against a few common childhood diseases. Almost all of these children live in the developing sector, where only 20% of children are fully immunized. Five million children die each year and five million are crippled for lack of vaccines which would cost about \$10 per child. The low level of

Genocide lobby vows: Let disease curb population

Colorado Gov. Richard Lamm wrote in the New York Times April 17:

I put forth blasphemy: the U.S. should give no emergency food relief to countries that are unwilling to adopt long-term economic reforms and population control programs. . . . Sadly, neither America's grain bins nor its pocketbooks can possibly keep up with the demographics of starvation, in Ethiopia or anywhere else. . . . Sooner or later, third world countries must come to grips with their population pressures. . . . If America gives short-term aid without insisting that recipient nations take long-term action to limit population and reform their economies, we merely throw gasoline on a fire. . . . The late Alan Gregg of the Rockefeller Foundation once said that overpopulation is a cancer and that he had never heard of a cancer that was cured by feeding it.

Thomas Ferguson, Latin American case officer for the Office of Population Affairs of the U.S. State Department, was quoted in EIR March 10, 1981, discussing the OPA's experiences during the Vietnam War:

We thought that the war would lower population and we were wrong. . . . To reduce population quickly, you have to pull all the males into the fighting and kill significant numbers of fertile, child-bearing age females.

[As for the civil war in El Salvador], you are killing a small number of males and not enough fertile females to do the job on the population. . . . If the war went on 30 to 40 years like this, then you might accomplish something. Unfortunately, we don't have too many instances like that to study. . . .

The population might weaken itself, especially if the war drags on, you could have disease and starvation, like what happened in Bangladesh and Biafra. Then you can create a tendency for population to fall very rapidly. This could happen in El Salvador. When that starts happening, you have total political chaos for a while, so you must have a political program to deal with it. I can't estimate how many people might die that way. It could be a great deal, depending on what happens.

Bertrand Russell, Prospects of Industrial Civilization:

The white population of the world will soon cease to increase. The Asiatic races will be longer, and the negroes still longer, before their birth rate falls sufficiently to make their numbers stable without help of war and pestilence. . . . Until that happens, the benefits aimed at by socialism can only be partially realized, and the less prolific races will have to defend themselves against the more prolific by methods which are disgusting even if they are necessary.

28 Special Report EIR April 30, 1985

immunization ensures that no significant "herd immunity" will be present in the target populations to inhibit the spread of epidemics.

The foregoing does not even take malaria into account. This disease, in its most malignant form, Falciparum Malaria, affects nearly 200,000,000 Africans and will ultimately kill at least 20,000,000 of those affected. In addition, it is the major cause, other than malnutrition, of immune depression. It is malaria that creates the conditions under which the virus which causes infectious mononucleosis causes lymph-node cancer. Scientists are now investigating a situation in which four Americans developed this cancer, following exposure to a visitor from South Africa who was carrying the virus.

The holocaust is not limited to human disease. African swine fever, which necessitated the destruction of all swine in Haiti a number of years ago, with disastrous consequences for the food supply, has broken out in Belgium. This disease, which is 95% fatal to affected swine and almost impossible to eradicate, poses a threat to the \$20 billion a year European

Bertrand Russell, Impact of Science on Society:

At present the population of the world is increasing at about 58,000 per diem. War, so far, has had no very great effect on this increase, which continued throughout each of the world wars. . . . War has hitherto been disappointing in this respect . . . but perhaps bacteriological war may prove effective. If a Black Death could spread throughout the world once in every generation, survivors could procreate freely without making the world too full. The state of affairs might be unpleasant, but what of it?

Stephen Mumford, of the Institute for Population and National Security, recently told a caller:

I have been looking at diseases as confined to children, which are making a very significant contribution to population growth control in Africa. It's the least desirable way, but in Africa it is significantly controlling population. There is a great rise in infant child mortality, one-third of the children are not surviving to the age of five.

[Concerning Bertrand Russell's views on Africa and disease, Mumford replied:] Africa is really starting to show that this statement by Russell is true. Childhood death rates are really going up in Africa. Unfortunately, not enough people are looking into the question of disease as a determinant of population growth. I'm looking primarily into childhood diseases, in Africa, in Haiti, Java, Bangladesh. Not just cholera, but the whole collection of diseases. Because of it, Africa will go through a depopulation process.

pig industry. So far 20,000 Belgian swine have been slaughtered, and authorities are cautiously optimistic that they have controlled it—this time.

These animal diseases pose a double threat to man, both from transmission of the diseases themselves, such as toxoplasmosis and trichinosis, and destruction of the major source of high-quality protein. This is a significant problem in Ibero-America, where widespread animal disease is responsible for costly, inefficient production of pork and beef.

If the maps of malnutrition and potential epidemic animal and human diseases are overlapped (see cover), one gets a precise picture of the populations which have been targeted by such institutions as the Club of Rome and the other Malthusian think tanks that guide IMF policy. What also becomes obvious is that it will be impossible to contain these pestilences in the target areas. This is especially so when it is grasped that significant areas of the United States are included in the targeting.

Under present policies, Africa is entering a terminal stage, which will result in massive depopulation in the next two to three years. Large parts of Asia, and Ibero-America will soon follow, and then, sooner than is realized, significant portions of the developed countries. The perceived advantage of this scenario, from the standpoint of those agencies that are running it, is that, unlike nuclear war, it will specifically target the black, brown, and yellow races, while supposedly sparing the Anglo-Soviet and Venetian-Swiss gamemasters.

Are we next?

Cholera, malaria, AIDS, and other diseases now devastating Africa, do not respect national borders and are growing so luxuriantly that they will hardly remain confined. Under such conditions, mutation to more virulent forms, and increased transmissibility, will occur. It is only a matter of time before they spread to Europe and the United States, where the same IMF policies are creating growing pockets of nutritional and sanitary collapse, which will provide the necessary concentrations of susceptible individuals.

AIDS (Acquired Immune Deficiency Syndrome) is exemplary of this situation. Originally described in promiscuous male homosexuals and intravenous drug abusers, now over 10,000 cases of AIDS have been reported in the United States and approximately 48% of these people have died already. The number of reported cases in 1984 rose 74% over the number reported in 1983. The fatality rate is higher among affected children; among victims diagnosed before January 1984, it is 73%.

Four states, New York, New Jersey, California, and Florida account for 75% of the reported cases. While the disease has largely remained confined to four major risk groups, recent studies indicate that a rapid expansion into the general population could occur under conditions of nutritional and sanitary breakdown.

In April 1984, scientists from the United States and France

EIR April 30, 1985 Special Report 29

announced the isolation of a virus which selectively destroys T-cells, one of the two primary types of immune cells, as the causative organism of AIDS. Since then, a technique for growing the virus in quantity has been developed and a blood test for exposure to the virus is now being used for screening tests on patients and donated blood. Initial results of studies of exposure were "very disturbing," according to Dr. Harold Jaffe of the Center for Disease Control. Exposure to the virus is quite high among certain groups and may approach 30-50 times the number of presently reported cases. Between 5% and 20% of these persons will develop the disease over the next five years. Present estimates are that as many as 300,000 people have been exposed to the virus in the United States and that 10% of them will come down with the disease.

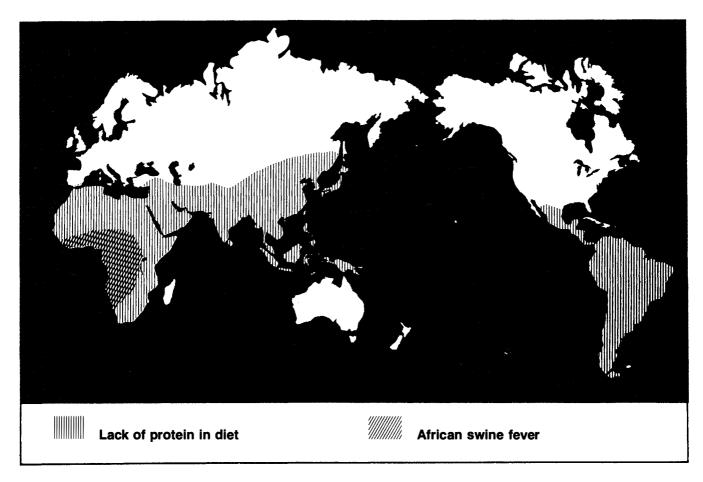
As striking as these figures are, the incidence of AIDS is at least 10 to 20 times higher in Zaire and other areas of sub-Saharan Africa. Here the disease is spreading in epidemic form by heterosexual contact and poor sanitation, in a population whose immune systems are depressed by malnutrition and chronic infectious disease. Present medical opinion is that the disease has been endemic in Africa for a long time, and that the HTLV virus was distributed along the old Portuguese slave-trading routes. The epidemic in Africa reflects the extreme breakdown conditions there and indicates that,

should similar nutritional and sanitary collapse occur in the United States, similar epidemics would occur due to the dissemination of the virus in the U.S. population.

While the basic U.S. sanitary infrastructure is just beginning to crumble, as witnessed by the dysentery outbreaks in Pennsylvania last year, HTLV virus has been disseminated primarily due to certain "lifestyles" which have circumvented the basic goal of sanitation: the separation of what we eat and what we excrete. Homosexual practices result in significant fecal-oral contamination and transmission of numerous viruses, bacteria, and parasites from one person to another. As a result, a large reservoir of this virus exists, especially in the collapsing inner cities.

Hunger in America

In the United States, 20 to 30 million people are subsisting on diets approximately equivalent to those of the World War II Nazi concentration camps. Many of these people are living in crowded, filthy conditions in our decaying inner cities, with collapsing sanitation and medical care. Hunger and outright starvation have returned to many areas of the United States, as the vaunted "economic recovery" continues to unfold. The widespread hunger found during the late 1960s, which had been significantly alleviated by various programs



30 Special Report EIR April 30, 1985

such as food stamps by the late '70s, has now returned, as these programs have been dismantled to pay usury on the federal debt.

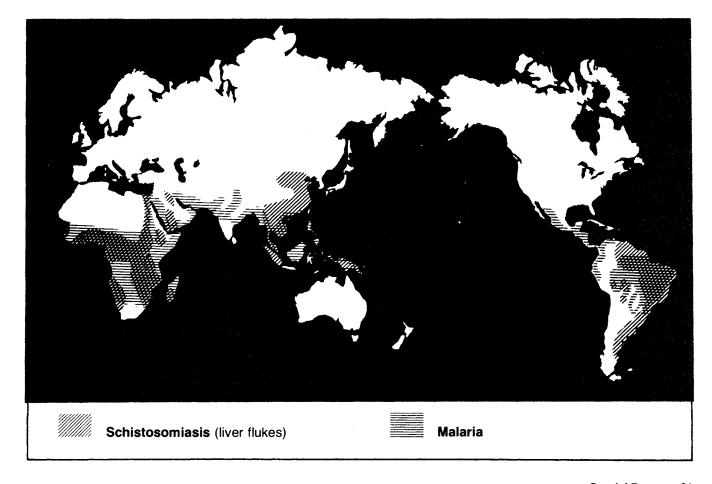
A study entitled *Hunger in America—The Growing Epidemic*, documents the reemergence of malnutrition and outright starvation in the Mid-Atlantic, Southeast, Midwest, and Southwest. The study, prepared by the Physicians' Task Force on Hunger in America, conservatively estimates that at least 20 million Americans experience actual hunger to the extent of running out of food for two or more days a month. The heaviest burden falls upon children and the elderly, with approximately half a million American children suffering malnutrition characterized by low birth-weight and stunted growth.

In areas of America's decaying central cities, cases of marasmus and kwahiorkor, classically associated with the extreme starvation in famine-ridden Africa, are appearing in hospitals and pediatric clinics from Albuquerque, New Mexico to Chicago, Illinois. While an occasional such case may result from abuse and neglect, most result from lack of the basic necessities for child health and nutrition among America's increasing poor population. The 350,000 families whose unemployment benefits were recently terminated are likely to produce more of these cases, as other support mechanisms

collapse under the pounding of the "invisible hand" of freeenterprise economics.

More widespread are conditions such as anemia, failure to thrive, diarrhea, and dehydration, as manifestations of childhood malnutrition. Anemia is associated with decreased energy and diminished immune function, and affects 20-30% of poor children. Many of these children were low-birthweight babies to begin with, as a result of maternal malnutrition. Low birth weight itself is associated with markedly increased infant mortality, physical and emotional handicaps, school problems, and major and minor nervous-system disorders. Low-birth-weight babies are 30 times more likely to die before the age of one year than their normal-weight peers, accounting for more than half the infant deaths in the United States. Low birth weight is the eighth leading cause of death in the United States, where the last few years have witnessed a sharply rising infant mortality rate in the inner city areas of such cities as Philadelphia, Boston, New York, and Detroit.

When this group of susceptible children is placed in the context of the general collapse of housing and sanitary infrastructure, conditions are created in which the devastating infectious diseases of the past, such as tuberculosis, are beginning to reappear. Under these conditions, our malnour-



EIR April 30, 1985 Special Report 31

ished elderly are reactivating the tuberculosis they were healed from years ago and passing it on to their grandchildren, preparing the way for the return of "the White Plague, the first of the horsemen of death," as tuberculosis was once known. Childhood tuberculosis, once almost eradicated by vigorous public-health measures and modern drug therapy, is now so frequent in cities such as Chicago as to be considered a routine problem.

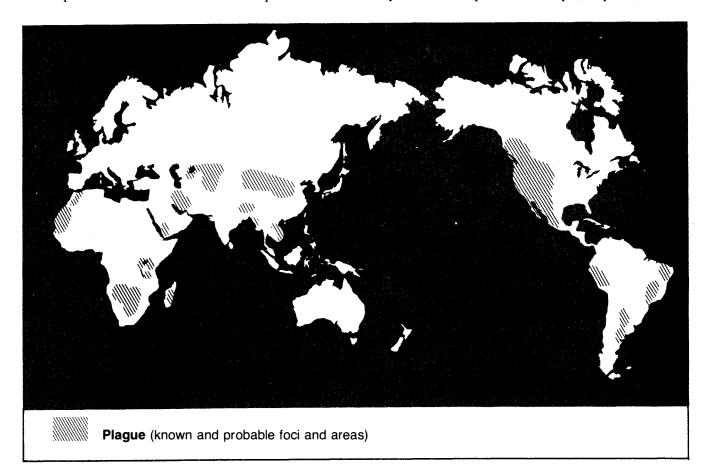
In addition to malnutrition, infant mortality is a result of lack of prenatal care because of the closing of clinics and dismantling of health infrastructure in response to federal, state, and local budget cutbacks. The proposed alternatives of community health workers and low-technology primary care, closely parallel the proposals for low-technology "primary health care" in the developing sector, as enunciated by the World Health Organization at a 1978 conference. It was at this conference, which took place at Alma Ata, in the Soviet Union, that the formal decision not to invest in major health-care infrastructure was taken.

The main reservoir of tuberculosis in the United States is the nation's elderly, a group also hard hit by hunger and malnutrition. In Chicago many elderly people subsist on a diet of 550 calories and 24 grams of protein, which can only be compared to the Nazi concentration camp diet of 800 calories and 40 grams of protein. Under such conditions, the age-associated decline in immune function is accelerated and healed tuberculosis is reactivated. When these elderly live in crowded conditions with young children, the result is the reported increase in tuberculosis in children. This in turn is an indicator of a growing reservoir of physically debilitated people, which provides the fertile soil for the spread of epidemics such as AIDS, typhoid, typhus, or the bubonic plague.

Concentration-camp nutrition

Contrary to the austerity-diet fanatics, hypertension, diabetes, and cardiovascular disease are also common among poor adults. These diseases reflect lifetime nutritional deficiency, especially of high-quality protein. Such deficiency is guaranteed on the so-called thrifty diet devised by the U.S. Department of Agriculture, which provides roughly the 40 grams of protein alloted to the residents of Dachau and Bergen-Belsen, and generously adds 400 calories from low-quality starches. According to the USDA's own study, over 80% of households whose food spending equals the thrifty food-plan level suffer malnutrition.

Any realistic assessment of the dietary profile associated with a healthy population, characterized by low infant mortality and extended productive life span, requires, as a first



32 Special Report EIR April 30, 1985

prority, a diet of at least 100 grams of protein a day, of which 70 grams would be high-quality (animal) protein, and a calorie throughput of 2,500-3,000 calories a day.

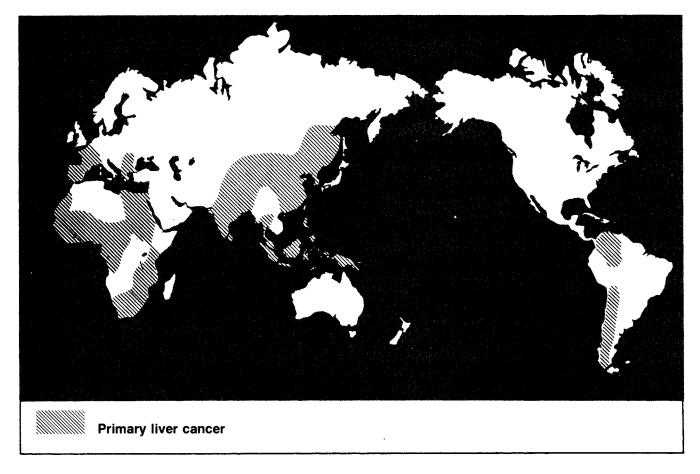
The thrifty food plan, however, was devised by programming a computer to come up with a diet equal to a present federal expenditure level, without any consideration of nutritional adequacy. This is the sort of cost-efficiency mentality that would warm the heart of Adolf Eichmann or Milton Friedman, except that Friedman would probably consider it over-generous. It is certainly compatible with the worldview of the grain cartels and their pointman, Undersecretary of Agriculture Daniel Amstutz, and his ventriloquist's dummy, Agriculture Secretary John Block, who decry the present agricultural "surplus."

The "thrifty diet" is coherent with a general shift in U.S. dietary habits away from a relatively high-protein, red-meat-based diet, to a lower qualitative and quantitative protein intake and an increase in carbohydrates and "roughage," which more closely approximates Third World diets. The brouhaha about fat and cholesterol, whatever its merits in individual cases, has served to smooth the adjustment to a lower-quality diet in the American population. Since the midsixties, coincident with the environmentalist movement and the antinuclear movement, there has been a broad attack on

the American diet by a variety of "nutritionists" and consumer advocates. The net result has been to shift from a diet associated with an average life expectancy of 72 years, toward one associated with a life expectancy of 42 years.

Since present policy is to cut costs first and foremost, a plethora of obstacles has grown up to prevent all those who actually qualify for food stamp benefits from receiving them. These take the form of long application and reporting forms, long waiting lines, threats of prosecution for fraud, and eligibility requirements which strip applicants of whatever remaining dignity and property they may possess. This has led to the phenomenon of decreasing numbers of food stamp recipients in many areas, even as poverty has substantially increased.

The combination of malnutrition, decreased health services, and sanitary-infrastructure collapse, is creating expanding pockets of poverty and malnutrition in the United States, characterized by Third World-style infant mortality and disease rates. This destruction of the labor-force represents one of the gravest national security threats which faces the United States today, and is a direct consequence of the free-enterprise ideology poisoning the present administration, which is being manipulated by the same people who are destroying the Third World.



EIR April 30, 1985 Special Report 33

EIRInternational

Violence readied in Europe to target the Bonn summit

by Vivian Freyre Zoakos

On Friday, April 11, one of the most brutal terrorist massacres in postwar European history occurred at a restaurant outside the Spanish capital of Madrid. A 22-kilogram bomb exploded in the crowded, two-story El Descanso steakhouse during the late dinner hour, killing 18 Spaniards and 15 Americans, and injuring 52 others.

The steakhouse is known to be heavily frequented by U.S. military personnel from the nearby air base at Torrejón de Ardoz. Torrejón is the largest landing field in Europe, fitted with the most advanced navigational equipment and 4.500 American servicemen.

The mass murder was claimed by the Islamic Jihad, a Syrian-controlled terrorist group that includes Libyan and Iranian, as well as Syrian fanatics. By April 16, a heretofore unknown "Palestinian" group identifying itself as Al Waad (The Promise) also claimed responsibility.

Intelligence sources point out that this type of sophisticated explosive—a mixture of sulfur, potassium chlorate, and aluminum powder—has never been employed in Spain. The sophistication points to the likelihood that the bombing was a KGB operation, signaling the extreme vulnerability of military installations on NATO's southern flank.

The massacre's clear targeting of American personnel marks it as part of the extraordinary European terrorist activation that will culminate in major assassination attempts or further bombings around President Reagan's upcoming tour of Europe. The President will be in Europe to attend the May 2 summit of the advanced-sector heads of state. He will also tour various European capitals at that time.

The Vienna Kurier reported this week that American officials are extremely concerned over the safety of U.S.

installations since the Spanish bombing. Security around such American outposts has been correspondingly tightened in every European country.

Terrorism targets Ronald Reagan

The United States, and President Reagan personally, are the targets of the current terrorist wave. More generally, this terrorism is one of the weapons being fielded by the Soviets and their allies in the West to generate the type of fear and chaos in Europe that will further a process of strategic decoupling from the United States.

In Germany, the political and logistical cover for terrorism is being provided jointly by the Green Party and the Social Democratic Party (SPD). The Social Democrats are the ones who would come to power, possibly along with the Greens, if the present endangered government coalition of Christian Democratic Chancellor Helmut Kohl were to fall.

The SPD plans mass demonstrations and rallies against President Reagan that will feature as main speaker the newly elected governor of the Saarland region, Oskar Lafontaine. Lafontaine will be speaking at the rally scheduled for Neustadt, a city where Reagan is scheduled to speak. Since his election victory in the Saar, Lafontaine has been increasingly assuming the role of heir apparent of the national SPD leadership. He belongs to the outspokenly radical wing of the party and has repeatedly called for pulling Germany out of the North Atlantic Treaty Organization (NATO).

Alongside the SPD will be the Greens, the neo-Nazi ecologist-peacenik party largely funded from East Germany and which serves as the recruitment ground, support, and general cover for hard-core terrorism.

34 International EIR April 30, 1985

The Greens have announced firm plans to hold mass demonstrations of 30,000 of their supporters inside the perimeters of Bonn's government district, where the summit will physically be held. As their spokesman, Lucas Beckmann, announced at a recent press conference, the Greens plan to defy police orders to cancel the illegal demonstrations in the government district. They will lead their tens of thousands of followers into deliberate clashes with the police, said Beckmann, if there is any attempt to block them from entering the secured perimeter.

This mass demonstration is going to serve as a smokescreen for a hard core of several thousand anarchists who will deploy in smaller grouplets to break into the protected district. Among these violence-prone demonstrators, most of them experienced criminals with long records of clashes with the police, there will also be hard-core terrorists linked to the Red Army Faction and other terrorist gangs. The plans for the disruptions and attacks have been discussed openly in meetings that took place in Muenster, Bonn, and Berlin.

The Bonn meeting of the coordinating committee for the planned actions around the summit occurred over the weekend of April 12. It was attended by two official "observers" from the Soviet embassy in Bonn.

During a recent search in a terrorist safe-house in Wiesbaden, police found what they are evaluating as definite indications of planned assassination attempts against President Reagan. Among the material seized was a leaflet with pictures of Reagan, Chancellor Kohl, and British Prime Minister Margaret Thatcher looking down the barrel of an assault rifle pointed at them. The leaflet, meant for circulation in small numbers among underground groups, was headlined "Assault on the Economic Summit." The text explained that "sabotage and assaults often advanced the movement in critical situations," and listed a series of potential targets in the city of Bonn, mainly government buildings and security installations.

The threat of violence is such that even the liberal interior minister of the state of North Rhine-Westfalia, Horst Schnoor, who is generally soft on Greenie terrorism, has voiced his fear publicly that he cannot guarantee Reagan's safety.

In Spain, the Communists are taking personal responsibility for creating the conditions for potential terrorism during the President's visit. The Spanish Communist Trade Union, Comisiones Obreras, announced April 16 a ten-minute total blackout of Madrid for May 6, the day of Reagan's arrival on his state visit. The stated reason for the sabotage is to damn Reagan's "rearmament policy." The Comisiones Obreras have collected thousands of signatures on a petition to have Reagan declared *persona non grata* in Spain, and are sponsoring an "anti-NATO week" in every large Spanish city during April 15-21.

Destroying Europe: separatist terrorism

A second level of terrorism and social-political chaos is simultaneously sweeping Europe. The wave of regionalist separatism sweeping Europe is aimed at a shattering of law and the state which would make make the continent ungovernable. The southern flank of Mediterranean countries is coming in for heavy deployment of separatist violence and plans for future violence. An incessant sequence of separatist strategy and organizing meetings has been building up since early April.

Libyan dictator Muammar Qaddafi, who has been pouring funds into the various separatist movements, issued his latest provocation on April 12 in a press conference in Tripoli where he unilaterally announced that the two Spanish enclaves on Moroccan territory, Ceuta and Melilla, are "Arab cities," and that Spain would not go to war with Morocco to defend them. Deliberately provoking the Spanish armed forces, Qaddafi boasted that he was in "continuous contact" with the Spanish government on the issue.

Over the weekend of April 6, a congress was organized with participants of the five French and Spanish Basque provinces under the aegis of Herri Batasuna, the electoral arm of the ETA terrorists. The congress was called, "On the Collective Rights of the Minority Nations of Europe," and featured speakers such as Jean-Pierre Destrade who has recently been appointed a spokesman of the French Socialist government. The conference, in the words of one speaker, focused on the need to create "a peripheral bloc of [regional] nationalists within the Spanish state as the path toward the Europe of the regions" (instead of sovereign nation states).

Another speaker, a Catalan separatist, announced there had been created in March an International Commission in Paris for the defense of nationalities without a state such as the Spanish region of Catalonia, and the Basque provinces. He reported that the cultural delegations of these regions were in fact already functioning as "embassies." Indeed, the president of the regional government of the Spanish Canary Islands, Xerónimo Saavadra, traveled to Moscow at the head of a five-man delegation for a week-long stay in April "to reinforce still further the already solid commercial relations between the Canary Islands Autonomous Government and the U.S.S.R."

A "separatist" Canary Islands is quite incredible, since the territory has been Spanish for centuries and is populated solely by ethnic Spaniards. But with already the largest Soviet merchant marine base outside the U.S.S.R., and no fewer than 5,000 Soviet naval personnel on the islands, "separatist" rumblings in these strategically key islands at the gateway to the Mediterranean spell nothing but strategic advantage to Moscow.

A Council of the Regions of Europe has also been created this year and met in Catalonia the first week of April at the invitation of Jordi Pujol, the Catalan regional "president" in 1982. Pujol has never attempted to hide his dream of a Europe of the regions and the nationalities. Sixty "autonomous" regions in Europe belong to this council, which was created, in the words of its founder, Edgar Faure, "in order that the regions play a more active role in the construction of Europe."

EIR April 30, 1985 International 35

Schiller Institute catalyzes ferment against the IMF in Ibero-America

by Carlos Potes

Over 2,000 people marched in Strasbourg, France—the seat of the European Parliament, located at the border of France and Germany—on April 13, in the largest-ever demonstration in Western Europe to protest the murderous looting policies of the International Monetary Fund. The Strasbourg march was part of a worldwide mobilization called by the Schiller Institute which pulled more than 20,000 people into the streets over the weekend of April 13-15, in a global show of political will to defeat the financial policies now destroying industrial and underdeveloped countries alike.

The effect of the simultaneous mobilization of Western Europe and the United States with the Third World began to be seen at once in Ibero-America. On Monday, April 15, the president of the Mexican Workers' Confederation (CTM) called on Mexican labor to make May Day a day of labor demonstrations against the IMF. The CTM is the largest labor organization in Ibero-America, and May 1 is the traditional "labor day" which brings huge crowds of workers into the streets.

Also on April 15, Panama's National Council of Organized Workers (CONATO), the most important labor federation there, called on U.S. President Ronald Reagan to return to the American System and dump the IMF. The Panamanian union quoted the American Declaration of Independence as proof that the United States should join and not oppose the quest of Ibero-Americans for "Life, Liberty and the pursuit of Happiness" which the IMF has deprived them of.

Schiller Institute founder Helga Zepp-LaRouche had set the process in motion with her call for an "Indira Gandhi Memorial Summit" at the Fourth International Conference of the Institute last January in Richmond, Va. She proposed that Schiller Institute chapters around the world lead mass protests against the IMF, timed to precede the meeting of the Fund's Interim Committee in Washington April 17-19, where IMF "conditionalities" would be accepted, ostensibly, by the United States as well.

Former U.S. presidential candidate Lyndon H. La-Rouche, Jr. characterized the urgency of joining all possible forces against present IMF policy as follows: "An epidemic of the dreaded disease, cholera, has erupted among the increasing millions already dying of famine and disease throughout most of black Africa. This epidemic, which may

soon spread into other continents, is the inevitable consequence of both the International Monetary Fund's 'conditionalities,' and the racialist 'Global 2000' doctrine of the Carter administration. Unless the policies of the IMF and the State Department's 'Global 2000' are reversed promptly, as many as 300 millions out of approximately 500 million black Africans, will be victims of a genocide vastly greater than that for which we condemned the Hitler regime at the postwar Nuremberg Trials," said LaRouche in a message read at all the rallies.

"We are demonstrating worldwide against the intention of the IMF Interim Committee to force even the U.S. under so-called IMF surveillance, eliminating national sovereignty and giving the U.S. the same kind of treatment and subjecting it to the same brutal austerity conditionalities imposed on only so-called Third World countries so far," read a message sent to the rallies by Helga Zepp-LaRouche, the founder of the Schiller Institute. "Against this injustice, which cries for vengeance to the heavens, and which will lead without any doubt to either a soon-to-come Soviet world hegemony or a Third World War, the Schiller Institute and the International Movement for the Inalienable Rights of All Men have called for the immediate abolition of the IMF and the establishment of a New Just World Economic Order."

Mrs. LaRouche's message stressed again the need to convene "a world summit which realizes a general reorganization of the world monetary system, and which generates long-term, low-interest credits for production, agriculture, great infrastructure, and development projects worldwide. This summit is supposed to be named the Indira Gandhi Memorial Summit," she emphasized. "Its immediate realization is the only hope for Africa, for the developing countries. It is the only way that President Reagan can be freed from the present complete control of the Eastern Establishment, which otherwise has already reserved for him the role of a second President Hoover."

Pro-America, anti-IMF

One of the most significant aspects of this latest round of resistance to IMF "conditionalities" is precisely the absence of a blind anti-Americanism which has characterized such activities in the past. Particularly labor leaders in Ibero-

36 International EIR April 30, 1985

America, where the mobilization has gathered the greatest momentum, are keen to the distinctions pointed out by the Schiller Institute between IMF policy and U.S. interest, and hope that the United States can still be relied upon as an ally for development.

In the anti-IMF rally held in Panama City on the 15th, over a thousand labor leaders, selected by rally organizers to represent some 200,000 Panamanian workers, marched right up to the doors of the U.S. embassy to deliver a statement addressed to President Reagan, urging him to use his powers to put an end to IMF austerity in Ibero-America and launch a new era of inter-American cooperation (See *Documentation*).

Embassy officials were somewhat confounded by the fact that no U.S. flags were burned during the demonstration, but even more so when they realized that the statement presented to them for transmittal to the President began with a quote from the U.S. Declaration of Independence! When reached for comment, office after office of the embassy "could not confirm" that such a letter had been received there. Finally, the labor attaché attempted to return the letter—perhaps too hot to handle—to CONATO headquarters, with the odd argument that President Reagan doesn't run the IMF. Nonetheless, embassy spokesmen were quick to clarify that the rally was "not anti-American; it was against the IMF."

Pro-American sentiment, however, has few chances of survival in impoverished, undernourished, and war-torn Ibero-America unless the United States moves quickly to reverse decades of foolish support for IMF looting policies in the continent. Unless the Reagan administration gets off the "free-enterprise" bandwagon which has only benefitted the dope-profiteers so far in Ibero-America, pro-Western, democratic forces in the area have a fine line indeed to walk between Communist subversion and economic holocaust.

The Schiller Institute's 1,000-strong march in Mexico City, as well as other marches in at least five more Mexican cities, demonstrated quite vividly the population's anti-IMF fervor. One day later, CTM leader Fidel Velázquez decided to call for another round of demonstrations against the IMF. According to the daily *Excélsior*, the CTM asked all of its member unions and federations "to prepare messages for this coming May Day, rejecting the International Monetary Fund and showing that the crisis isn't merely a financial problem, but also means hunger and injustice to the population." As labor delegations from around the world poured into Mexico City for the 11th Congress of the Inter-American Regional Labor Organization (ORIT), the CTM informed them of its decision to make the IMF the focus of the May 1 mass demonstrations.

At the same time, says Excélsior, the CTM "suggested to the government of President Miguel de la Madrid that it promote a world meeting on foreign debt, to find formulas and mechanisms for multilateral negotiations, given that it is ever more difficult to meet the International Monetary Fund's conditionalities." The CTM's proposed international summit would assemble creditor and debtor governments to discuss, as proposed by the Schiller Institute, a New World Economic Order *outside* of the IMF.

That heightened labor organizing against the IMF is a result of the Schiller Institute's international mobilization was also pointed out by the Dominican daily *La Noticia*, which noted on April 13 that the demonstration held that afternoon in Santo Domingo "forms part of a world mobilization beginning today against the IMF and its monetarist policy," and reported on the resolution passed April 11 by the Senate of the State of Alabama condemning IMF policy and calling on President Reagan to launch a 30-million-ton food-relief program for Africa (*Documentation*).

One of the most significant aspects of this latest round of resistance to IMF "conditionalities" is precisely the absence of a blind anti-Americanism which has characterized such activities in the past. Particularly labor leaders in Ibero-America, are keen to the distinctions between IMF policy and U.S. interest, and hope that the United States can still be relied upon as an ally for development.

With these anti-IMF rallies, cooperation among labor organizations has also reached a new level, as demonstrators in every country heard messages from Colombian, Dominican, Panamanian, and Argentine unions conducting similar events at home. In the case of Argentina's General Labor Confederation (CGT), which sent fraternal greetings to CONATO and the Bogota and Cundinamarca Worker's Union (UTRABOC), such messages of international unity constitute the first such coordinated action since the days of President Perón, its founder.

One rallying cry around the world

The worldwide round of marches and rallies against the IMF and for a new world economic order began early in Argentina, when thousands flooded the streets of Buenos Aires on April 2, the third anniversary of Argentina's recuperation of the Malvinas Islands from the British. The marchers demanded that the IMF return economic sovereignty to Argentina as well. The Schiller Institute of Argentina circulated a statement comparing genocide in Africa with the fate Ibero-America faces unless an alternate monetary system is established (*Documentation*).

In Colombia, the main labor unions staged a 4,000-per-

EIR April 30, 1985 International 37

son rally in downtown Bogota, where greetings were read from the Schiller Institute and other Ibero-American labor unions. Anti-IMF activities were led in Peru by republicans for the PLAN-Peru, a political association which presented 40 candidates for Congress in the April 14 elections. PLAN-Peru organizers, who addressed a crowd of some 4,000 in Lima's Plaza de San Martín, emphasized the insistence of the IMF on growing illegal drugs as a means of debt repayment.

Brazilian organizers of the Schiller Institute and the National Mobilization Party (PMN) gathered some 500 demonstrators in Rio de Janeiro on April 15, to hear several speakers from both organizations indict the IMF's economic crimes and call on the Brazilian government to join with other Ibero-American nations in the creation of a debtors' cartel and a common market to bypass IMF conditionalities and spur development. One of the speakers was PMN leader Celso Brant, an adviser to the 1950s regime of Jucelino Kubitchek, who was the first President to break with the IMF on grounds of national sovereignty.

In Europe, at least 3,500 marchers took to the streets of Strasbourg, Stockholm, and Rome on April 13. At the largest of these rallies, convened by the Schiller Institute in Strasbourg, 2,000 demonstrators from all the European countries marched over a mile with bands, color guards, and banners denouncing the IMF. Fifteen mayors from the Alsace region of France signed a telegram supporting the rally and the Schiller Institute's initiative "against poverty and for a relaunching of economic growth in both the industrial and agricultural sectors." All three rallies passed resolutions for President Reagan to drop U.S. support for the IMF, urging him to "take action in the best tradition of the American Revolution to free the peoples of the developing sector nations from the burdens of crushing poverty, starvation and disease which increasingly threaten their very existence."

In spite of heavy harrassment and suspected FBI interference in the United States, major rallies were held in Los Angeles and Washington, D.C., where "freedom caravans" coming from many corners of the country converged after a nationwide publicity tour which captured headlines and newscasts in numerous local newspapers, and radio and TV stations. Notwithstanding the careful black-out policy maintained on the subject of the Schiller Institute's mobilization against the IMF, marchers were able to join tens of thousands around the world in communicating to the American population the urgent message best summarized by Lyndon La-Rouche in his message to all the demonstrations:

"Every adult man or woman, in every part of the world, who does not arise to combat this genocide, is as guilty of this mass-murder as those who failed to resist Adolf Hitler's rise to power during the 1930s. This guilt lies heavily on every citizen of the United States. . . . Let us prove once again, that the people of the United States are still morally fit to survive. If we continue to condone IMF 'conditionalities,' we are not morally fit to survive."

Documentation

Ibero-Americans rally against IMF

Text of the letter sent by the Panamanian National Council of Organized Workers to President Reagan, April 15, 1985.

Mr. President:

We begin this letter with an excerpt from the Declaration of Independence of the United States, dated4th of July, 1776, which says:

"... We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed. That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. . . ." These truths still hold, notwithstanding 209 years since gone by.

The government of the United States, in consequence of a policy completely opposite to the principles expressed in its Declaration of Independence, has contributed, and continues to contribute, to the fact that the peoples of the Third World, particularly neighboring Latin America, cannot in fact count on Life, Liberty and Happiness.

Latin America suffers from innumerable problems, among which the principal is its foreign debt, estimated to be 336 billion dollars, of which our country, Panama, has a share of 3.1 billion dollars. The problem is compounded by the inability to pay the interest on the debt, even when countries comply with the readjustment or economic stabilization programs imposed upon them by the International Monetary Fund—the IMF.

As you know, decisions in the IMF are made by the five countries with the highest quotas and therefore the most votes, which are the United States, the United Kingdom, Federal Germany, France and Japan. Important decisions are adopted with an 85% majority of the votes. The United States has 20% of the votes, which allows it to veto any important decision, by virtue of the fact that without its votes the required majority cannot be attained. This same role can be performed by the European Economic Community.

Some economists and serious institutions hold that the

38 International EIR April 30, 1985

IMF has decided to impose "structural adjustment programs" with the aim of politically and economically destabilizing countries, sowing popular discontent, riots, insurrections, civil wars and mainly genocide. The populations they target, of course, are the inhabitants of the Third World: Africa, Asia and Latin America: non-Caucasian races.

Central America, with \$10.15 billion in foreign debt, and 21.82 million inhabitants, is already paying its share, the fruit of such a neo-Malthusian strategy. Thousands of people have been exterminated, thousands more have had to seek refuge in neighboring countries, but in the end a great percentage dies, as a result of hunger, poor living conditions and even repression.

As you can see, our peoples have only one alternative: to fight for Life, Freedom, and the pursuit of Happiness, just as you did, 209 years ago. But we shall carry this fight to the metropolises themselves: the United States, the United Kingdom, Federal Germany, France and Japan, that the peoples of these countries may establish governments based on the principles established in the Declaration of Independence of the United States, and at the same time suppress once and for all the financial groups that control the governments and economies of our countries.

This is the message we hope you will relay to the leading bodies of the International Monetary Fund.

Sincerely,

for the Joint Direction of the National Council of Organized Workers (seal),

Santiago Cajar, coordinator

The powerful General Labor Confederation (CGT) of Argentina moved in concert with continental forces for the first time since the death of its founder, General Juan Perón. The CGT telegram, directed to the Colombian UTRABOC and the Panamanian CONATO labor organizations holding rallies on April 13-14, states:

In the name of and in representation of the Executive Committee of the General Labor Confederation of the Argentine Republic, we communicate to you our solidarity with the event repudiating the recessive measures of the IMF. We fervently hope that through worker unity and solidarity, we will forge our common destiny and the unity of Latin America.

Manuel Diz Rey, International Secretary Patricio Dana, Interior Secretary

From La Noticia, April 13, Dominican Republic: "World Mobilization Against IMF Begun," by Vianelo Perdomo.

The march which various popular organizations will hold this afternoon forms part of a world mobilization beginning today against the IMF and its monetarist policy, according to what the top leader of the CGT revealed this morning. Julio de Peña Valdez said to *La Noticia* that this mobilization coincided with the annual IMF meeting which will be held in Wash-

ington from the 17th to the 19th of this month. . . . Similar activities will be held today in Panama, Colombia, Argentina, and Peru, led by the trade union leaderships of those countries.

. . . He reported that demonstrations against the IMF will be carried out next Monday in the U.S. cities of Los Angeles, San Francisco, Louisiana, Alabama, and Washington. In the Washington demonstration persons of all states of the Union will participate, who since yesterday started to arrive in the U.S. capital, the labor union leader said. He said that last Thursday the state legislature of Alabama approved unanimously a resolution against the IMF, because this imperialist financial organism is destroying the economy of the underdeveloped countries of the Third World. He added that the state legislature of Alabama accused the IMF of being one of the main culprits for the situation of generalized misery which most of the countries of Africa are suffering. . . . The organization accused the IMF, moreover, of provoking the death of hundreds of thousands of children and old people in Ethiopia, Somalia, and Biafra, such as in the other black countries in which it is massacring people with a disease which was believed to have been conquered, cholera. . . .

The Schiller Institute of Argentina circulated a letter (reproduced here in relevant part) to all major government, political, military, business, labor, and financial circles of the country prior to the wave of anti-IMF demonstrations held around the world on or about April 13.

. . .It is necessary to speak clearly to the Argentine people, and to all the peoples of Latin America beset by creditors for a debt which the very monetary system devised by the large banks of the industrialized countries has made unpayable.

. . . If the recipes of the Fund are applied here, all the efforts that have been made to secure democracy will fail.

Hunger, which in the underdeveloped world is suffered by millions of people—whose most pathetic and exemplary case is Africa, but which is extending and expanding across the Latin American continent—is the direct consequence of the IMF's conditionality policies applied with systematic rigor since the last decade. What was denied to Africans then is being denied to Latin Americans now: access to technological means that could contribute to the development of our economies. The loans that they obtained in the past and which we received only in recent years, were not capital loans to be applied to production. They were financial maneuvers and nothing more.

. . . This is what leads us now to declare that the IMF is the best agent of subversion, an agent which conspires against the process of democratization and against the well-being of the people.

And for this reason, we emphasize that the agreements that the government negotiated and now seeks to renegotiate under even worse conditions for our countries, are not simply recessive; they are genuinely subversive. . . .

EIR April 30, 1985 International 39

Anglo-Soviet moves in Iran

by our special correspondent

Every effort is being made by the British Foreign Office to tilt the Persian Gulf crisis to favor the Soviet Union. Despite some moves on the part of the United States to rebuild an alternative policy orientation in that region bypassing normal State Department capabilities, the British and their Soviet partners are proceeding ahead with the consolidation of their political arrangement. The key target country is Iran, where the new initiative by the British and the Soviets has also included the French.

Between March 10 and 15, the head of the British Foreign Office's Mideast section flew to Teheran to re-establish full diplomatic relations with Iran. The upgrading of the British Embassy in Teheran is accompanied by a British offer of 250,000 pounds sterling financial compensation. Iran had demanded 500,000 pounds. In preparing the way for a complete rapprochement with the Khomeini government, the British increased their trade in the last three months of 1984 by 67% over the 1983 period. The total amount of trade is upwards of 730 million pounds. British trade with Iraq and Saudi Arabia declined by nearly 50% during the same period of time.

This trade will also include arms sales to the Islamic fundamentalists bypassing the U.S. embargo against trading with an avowed enemy of the United States. The strategic purpose of the British move is to offset the U.S. input into Iraq, where the Iraqis have started to transform their Air Force into a U.S.-style operation.

The British and the Soviets are looking to maintain the Iran-Iraq war as a means for keeping up Islamic fundamentalist pressure, i.e., terrorist actions, against the United States. In this balance-of-power arrangement, the British geopolitical gameplan is to isolate Iraq and build up their relations with Iran, while encouraging the Khomeiniacs to improve relations with Moscow and Paris.

During the week of April 5, Soviet Foreign Minister Andrei Gromyko met with Iran's Deputy Foreign Minister for Economic and International Affairs, Hussein Kazempour Ardebili, accompanied by two other foreign ministry officials. For Gromyko to personally meet a lower ranking minister is extremely significant. The meeting lasted two hours, with Gromyko suggesting that high level political delegations be exchanged between Moscow and Teheran. It was further decided that an economic subcommittee at the ministerial level be formed for expanding trade.

Simultaneously, the outgoing chargé d'affaires of the

French Embassy in Teheran, Jean Perrien, met with the speaker of the Parliament and member of the Islamic Commission Hashemi Rafsanjani. According to transcipts made available to *EIR*, Perrien not only offered the French government's apologies for "misevaluation of the Islamic Revolution," but added emphatically that France wants to "improve relations." Here are some excerpts:

Perrien: "It is a great honor for me that his excellency Mr. Rafsanjani received me. I was interested in seeing your excellency a long time ago, but I did not have anything to say. But now that situation has changed. I think since the appointment of Mr. Dumas as the French foreign minister, a new atmosphere was created between Iran and France and we are once again talking to each other. . . . He asked me to convey his message to Iranian leaders that he is interested to create a balance and to improve relations. . . . France by no means wants to have any conflict with Iran. . . . On the other question, there is the uses of the opponents [of the Islamic Republic] which have taken refuge in France. France is trying to limit their activity."

"The foreign policy direction, especially, is not drawn by the Socialist Party and in some instances it can be said that the Socialist Party acts as an opposition against the Elysée. In general it is President Mitterrand who completely controls the policy. . . and Mr. Dumas has Mr. Mitterrand's total confidence."

Rafsanjani: "I think the policy of the French government towards Iran in the past cannot be justified by any means. . . . If we did not have in mind to review our policy in the figure because of the help given for the short stay of the Imam before the revolution, and if we did not have an inclination to improve relations. . . . Because the bad things which your government did against the Islamic Revolution was worse than [what] the Americans did to us. At present our ships in the Persian Gulf are being hit by your missiles. Our money has been kept in your banks. Our terrorist enemies have assassinated the best of our people and are now under the protection of your police. . . . Among the European governments, the French government has chosen the worst policy toward us, while it could have been cautious and be like Germany and Britain and other Western countries."

The next phase

The ever-weakening policy grip that patriot forces in the United States have maintained will be the ongoing target of Soviet-backed terrorist operations utilizing Syrian and Iranian Islami Jihad capabilities. The bombing outside Madrid near the U.S. Air Force base at Torrejón was the work of the Islami Jihad. Intelligence sources indicate that this unit may have been directly under KGB operational orders as opposed to some arm's-length operation. The Spanish action is being viewed by U.S. intelligence as part of a recent pattern of KGB/spetsnaz operations that includes the Greek bombing at a U.S. military facility and more recently, two similar incidents in Naples.

40 International EIR April 30, 1985

The civil war threat in Sudan

by Thierry Lalevée

Only a few weeks after the April 6 coup which overthrew Gaafar Numayri, another coup may already be in the making in Khartoum. Should it happen, no one has any doubt that it would plunge the country into a pro-Soviet shift, a bloody civil war, and the ultimate partition of the country with the "independence" of the southern region dominated by the Dinga tribe.

The ingredients of such a coup are now all too visible. But uppermost is that not one of the basic economic problems of Sudan have been tackled. And indeed, how could they be? Four to seven million Sudanese verge on starvation thanks to the loan "conditionalities" of the International Monetary Fund, backed by Washington.

Washington and Saudi Arabia did promise an "emergency financial package," but nothing concrete has been forthcoming. Libya's Muammar Qaddafi, on the other hand, has given a precise figure, \$5 billion—that is, were Khartoum to break with the United States.

Many know that Libya promised Morocco billions which never materialized, but the promise's precision helps make it tempting, as does the fact that Libya holds some of the purse-strings of the rebels in the south. Even without money, Qaddafi could deliver peace in southern Sudan!

Guerrilla warfare between Khartoum and the southern forces of Col. John Garang, backed by both Libya and Ethiopia—hence, the Soviet Union—has cost the government \$2 million a day since November 1983—close to \$1 billion. Numayri could not afford it. Nor can the new regime.

The junta is already displaying a coolness toward Washington. On April 15, Gen. Siwar ad Dahab told the press that he wanted good relations with Libya and Ethiopia and wanted to re-establish relations with the Soviet Union and Syria. Together with a declaration a day earlier that Sudan would abide by IMF conditionalities—the very measures Dahab had personally ordered repealed while Numayri was abroad a day before the coup—this gives a strange and contradictory picture that can only be taken as an indication of how transitional Ad Dahab's junta is.

Lobbying for power

Directly influencing the new regime are, first, the traditional Sufi sects such as the Khatmiyya to which General Dahab belongs and which supported the Union with Egypt against the British in the 19th century. There is also the Ansar Sufi sect of Sadeq al Mahdi. A bitter enemy of the British in the last century, it ended joining hands with them against the Khatmiyya and Egyptians. Until Numayri's 1969 coup, the Khatmiyyas and Ansars shared political power in Sudan.

Since 1969, many new parties have emerged, and now, they are all lobbying for power. For example, the shadowy forces of the Iraqi Baath party: "If a young military turk were to overthrow Dahab, there is an 80% chance that he will be from the Baath party," was the assessment of several knowledgeable sources, who stressed Baath infiltration of the army. The Baathists are reportedly also powerful within the tradeunion movement, which organized mass anti-Numayri demonstrations in the days before the coup. This is especially true of the medical trade union of Gizzouli Daffala, mooted to be the next civilian prime minister. The alternative to Daffala would be Mirghani el Nasri of the lawyers union, who was a founding-member of the Islamic Socialist Party.

Muslim Brotherhood comeback

However, now controlling the streets is the Muslim Brotherhood of Hassan al Turabi, the former chief justice under Numayri whose short stay in jail during that regime's final weeks gave him a new political lease on life. On April 13 and 16, two political rallies of the Brotherhood gathered no less than 40,000 sympathizers.

Turabi didn't blush while declaring that the Brotherhood had always opposed Numayri. He launched a challenge to the new military regime: "We are ready to die fighting to defend the Islamic law," the brutal *Sharia*, and announced the creation of an Islamic National Front to defend the *Sharia*. Upon visiting a Khartoum jail, journalists discovered that it includes the use of crucifixion. In fact, another leader of the Brotherhood, Ahmed Hajj, denounced Numayri's corruption and called for his crucifixion!

With little voting strength (8%), the real power of the Brotherhood is financial, and linked to institutions associated with the Saudi Royal Family. Most important is the Faisal Islamic Bank, closely associated with the banking empire of Prince Mohammed al Faisal's Dar al Maal al Islami. Interestingly enough, Faisal bank was one of the first institutions to be attacked by demonstrators in late March. They accused it of giving the Brotherhood cheap credit for speculation on food prices. Turabi is able to actually buy participants in his rallies—cheap in a country where more than 10 million are starving.

Addressing the issue of the Sudanese Christians and animists in the South, Turabi declared on April 16: "They will all convert to Islam as soon as they understand that it is a religion of tolerance and justice for all." With the symbol of the *Jihad* (holy war) in the background, such a declaration is the kind of call for civil war which the new regime cannot tolerate. Shortly, it will have to confront the Brotherhood. Unless the powerful financial backers of the Brotherhood decide that the stability of Sudan is more important than a few fanatics, this could mean mass bloodshed.

EIR April 30, 1985 International 41

Interview: Kerstin Tegin-Gaddy

A tale of Sweden's '1984' state, a conservative paper, and Moscow

Kerstin Tegin Gaddy, the secretary-general of the European Labor Party in Sweden, was asked by EIR's Stockholm correspondent on April 12 why her party was recently catapulted into the headlines. Here is her reply:

On Easter eve and Easter, the banner headlines in the biggest conservative newspaper in Sweden, Svenska Dagbladet, claimed that the European Labor Party (EAP) had forged signatures to become a registered party. In many respects it does indeed seem strange that this "news" would have overshadowed everything else going on in the rest of the world that Easter weekend. It became even stranger when it was revealed that the entire story was a total fabrication by the paper: The EAP had not forged a single signature!

The background to the Big Lie of Svenska Dagbladet is the following. On Feb. 15, the EAP in Sweden submitted signatures of 1,850 party members who endorsed an application by the party to become a nationally registered party. The requirement for becoming a nationally registered party is a list of endorsements of 1,500 party members. Each party member's signature also had to be accompanied by the member's so-called civic registration number, the number assigned each Swede at birth under a notorious system that permits an incredible degree of integrated computer files that store up vast amounts of information about each individual. This entire system has been much criticized recently, especially by conservatives, as the epitome of the Swedish "1984" society.

After the last Swedish national elections in 1982, when Social Democrat Olof Palme returned to power after an interlude of six years, his government passed a law requiring all new parties which wanted to register for elections to submit 1500 names, signatures, and civic registration numbers—and that this information would be made public!

We in our party of course regarded this law as totally outrageous. We are aware in particular that such a file of our party members would be used not only by enemies of the EAP, but also by others who would use such information in an illegal way. But having no choice, we conducted a huge membership recruitment campaign during last fall and win-

ter, giving us in the end 1,850 members who were prepared to make this personal information public, despite the risks.

After one month of scrutiny by the national tax board, which is the elections authority in Sweden, it was officially announced that the EAP had met the requirements to become a registered party. In addition to a well deserved celebration by our own members, the EAP held a press conference, both to announce the success of the registration campaign and to present our strategy and program for the elections coming up in mid-September.

Svenska Dagbladet's terror campaign

The newspaper Svenska Dagbladet did not show up at the press conference. Instead, the paper sent one of its journalists, Willy Silberstein, to spend two full days at the national tax board copying the names and civic registration numbers of the EAP members. Silberstein fed these numbers into a computer and got the members' home addresses and telephone numbers. He proceeded to call as many of them as he



kvar i pingis-VM

LÖRDAGSKRYSSET

Olof Palme's press explodes in fury at the European Labor Party's official qualification for electoral party status. could, interrogating them in the most vicious and hostile way about their party affiliation. As reported by EAP members to the party office, Silberstein typically began each call by saying: "A lot of people that I have called deny that they are really members of the EAP. What about you?"

This, of course, was experienced as total terror by some of the people who were called. This is due in part to the fact that *Svenska Dagbladet*, one of Sweden's big national daily newspapers, had written a huge slander article about the EAP only six months ago, authored by this same Willy Silberstein. Out of the 1,850 members, Silberstein found a handful who distanced themselves from the EAP, apparently out of pure terror of being identified in the media as members of the party that *Svenska Dagbladet* was viciously attacking. The "evidence" of these few individuals was then used by Silberstein to forge the lie that the EAP had falsified their signatures.

The EAP headquarters was informed about this telephone terror campaign by Silberstein, and party officials demanded of the responsible *SvenskaDagbladet* editors that this activity cease. Silberstein's immediate superior, Lennart Persson, tried to cover up for the illegal activities of his underling by simply stating that the information in the EAP application was public.

The EAP informed Persson that the very law that was forcing the EAP to make its party membership public was going to be rescinded by a vote in Parliament the next week. As Svenska Dagbladet and other media had already reported, Minister of Justice Sten Wickbom had submitted a government bill to the Riksdag on this very point. Not only the Social Democratic Party, but all of the other parties and expert bodies consulted on this proposal had agreed that the law was in fact a serious violation of personal integrity and a threat to the principle of the secret ballot in elections.

Indeed, on April 10, only days after Svenska Dagbladet's fantastic operation, the Riksdag voted to abolish the law. This means that the EAP will be the only party in the history of Sweden that will have been required to make public its membership list, including civic registration numbers!

Meanwhile, Svenska Dagbladet has continued its unethical and essentially illegal actions by refusing to publish the truth about the change in the law or even to allow the EAP the right to reply to the paper's original lies.

The EAP's counter-measures

The EAP itself has taken a number of counter-measures. Formal charges have been filed against Willy Silberstein for having threatened individual EAP members and for violation of the Swedish Computer Act. A complaint has been filed against the paper with the Swedish press supervisory board for not allowing the EAP the right of reply, and a complaint has been entered against Silberstein with the ethics board of the Swedish Federation of Journalists.

However, the main question remains unanswered: Why did Svenska Dagbladet consider it so important to stop the

EAP in the first place? The obvious intent of the articles and telephone calls was to get people to leave the EAP. Yet the size of the party can hardly be the issue. The real issue is the EAP's program and its ability to shape the political debate as a whole, with one particular programmatic point overshadowing all the others in this respect. The EAP is the only party in Sweden—and now the only party running for the national elections—which favors Swedish membership in NATO! It has long been suspected that the Swedish oligarchy, which runs *Svenska Dagbladet*, has had some sort of deal with the Soviets for a kind of "Finlandization" of Sweden. Their attempts to stop the only pro-NATO party in Sweden would seem to be a confirmation of this deal.

Yet, if the oligarchs of Svenska Dagbladet counted on being able to stop the pro-NATO campaign by this latest operation against the EAP, they have seriously miscalculated. Instead of slowing down the EAP, they have produced the opposite effect. The EAP's membership is more activated than ever to push that campaign, having been shown by Svenska Dagbladet how important it is. Invitations have poured in to the EAP headquarters from all over Sweden to bring the campaign to every corner of the nation.

INVESTMENT OPPORTUNITIES OFFERED

by

ZAMAHAMI ARABIANS

located at

Moehlmans' **EM** Ranch and Training Stable

home of

ZARABO+++

TRIPLE NATIONAL CHAMPION STALLION— LEGION OF SUPREME MERIT

National Champion Sons & Daughters of ZARABO + + + Available

For Further Information Contact— Marge Moehlman, Manager P.O. Box 1567 Greenville, Texas 75401 Telephone: Peoples (214) 862-3620

Correction: The telephone number given previously in this ad was wrong. Please call the number shown here.

EIR April 30, 1985 International 43

Report from Bonn by Rainer Apel

Kohl makes it official

But as long as Genscher remains atop German foreign policy, the cacophony of argument over the SDI will continue.

The parliamentary debate on the Strategic Defense Initiative here on Thursday, April 18, heard Chancellor Helmut Kohl, whom pressures from Moscow and inside his own government had made hesitant to state his clear support, finally commit Germany to participation in the U.S. research program. The declaration came in a formal address to the parliament, which carries more weight than his Feb. 9 pro-SDI speech at the Wehrkunde Gesellschaft in Munich.

The reason he was officially extending support to the program, declared Kohl, was that it offered a way out of the current Mutually Assured Destruction, into a regime of Mutually Assured Survival. The Soviet campaign to stop the SDI comes as no surprise, he said, because the U.S.S.R. has been doing research on spacebased ABM systems for more than 10 years. The huge radar facility at Krasnoyarsk, moreover, violates the ABM treaty.

Kohl turned to his opposition: The Social Democrats, in their campaign against the SDI, just serve as a mouth-piece for the views of Moscow.

This was tough talk—especially since a delegation of visiting Soviet parliamentarians, plus Moscow's ambassador to Bonn, Vladimir Semyonov, were sitting in the guests' lounge listening.

Kohl also emphasized the vast spinoffs the SDI would have for civilian industry. An industrial nation of the status of West Germany could not afford to remain aloof from research on which the U.S.A. alone would spend \$26 billion.

In the parliamentary debate that

followed, Horst Ehmke, the Social Democrats' foreign-policy spokesman, attacked the SDI as a policy which would hurt Geneva talks, militarize space, and provoke the U.S.S.R. into deploying an even greater offensive nuclear arsenal. He accused President Reagan of trying to use the program to make Europe a mere appendage of the "American military-industrial complex." He called for European "self-assertion," and demanded that the continent work on a non-military space program. Europe's answer to the SDI should be a clear: "No!"

Alfred Dregger, head of the Christian Democratic parliamentarians, replied: The U.S.S.R. mobilizes the peace movement, the Easter Marches, the Greens, and the Social Democrats to stop the SDI, while doing its utmost to develop a space-based ABM system of its own. The West cannot trust the Kremlin, but must develop a defense before the Soviets present a fully operational defense, just as they surprised the world with fully operational SS-20 missiles in 1979. To the SDI, Europe must say: "Yes!"

Dregger's statements have special weight these days. He is likely to succeed Defense Minister Manfred Wörner, who did not speak at all. The fact that Wörner associated with 18 months of stalling on the SDI indicates that he may be out rather soon.

However, Kohl's main problem all along has been his foreign minister, the Free Democrat Hans-Dietrich Genscher. Genscher, having come under some pressure recently, was careful in the debate not to make his opposition to the SDI too obvious. He said only that "preventing an arms race

in space" is the main point to observe. He also deemed it necessary to have "more information, more consultation, more discussion"—as if SDI head Lt.-Gen. James Abrahamson's visits and briefings had never happened.

His act was halted by Social Democrat Karsten Voigt, who rudely declared that everyone knew he was against the SDI: "So why don't you say it openly, without beating around the bush?"

Given Bonn's fence-sitting for two years, that such a debate would occur at all is an important step. Still, none of the speakers went beyond statements of "support in principle" for the SDI, and none talked of Europe launching a complementary Tactical Defense Initiative (TDI)—to defend against medium—and short-range missiles.

It was left to one who did not speak in parliament to call for this policy: Franz-Josef Strauss, head of the Bavarian Christian Social Union, wrote a commentary in the weekly Quick the day of the debate, asserting that the U.S.A. would push forward with or without the Europeans, so why not participate? Then, he added: "There is the chance that Europe could do research on options for intercepting medium-range missiles, the primary threat to it in the first place." Official Bonn should should end the "cacophony" around the SDI and get down to serious business.

One might say that with Strauss, Germany's military-industrial complex raised its voice. Most of it is located in Bavaria, where Strauss is governor.

But the cacophony will continue as long as Genscher remains at the top of foreign policy. Should the unfortunate Defense Minister Wörner have to go in coming weeks, he should have company.

Mother Russia by Luba George & Carol Greene

Military and church: one policy

Second of a series on how the pagan Empire plans to celebrate the 1,000th anniversary of the Christianization of Russia.

In the first column of this series, we showed how Mikhail Gorbachov, admiringly described by the British and U.S. liberal establishment press as "pro-Western," was in fact picked for his allegiance to the darkest, most anti-Western cult of the blood and soil of Holy Mother Russia. Party Secretary Gorbachov is expected to be the leader in power in 1988, the millennium of the Christianization of Russia, which the Kremlin is planning to celebrate by achieving global predominance by that date.

Now we turn our attention to the real powers behind the throne—the military clique headed by former Chief of Staff Marshal Nikolai Ogarkov, and the hierarchs of the Russian Orthodox Church.

Ogarkov, the overall Soviet wartime military High Command leader, and a representative of the belief structure of a global "mission" for the Russian Empire and the Soviet military, wrote an article for the journal Communist of the Armed Forces, describing the role of the Soviet Armed Forces in the "Holy War"-Ogarkov's term for World War II-as "invincible." In the article he advises his (military) readers: "The aggressive forces of imperialism have to reckon with the growing weight and influence of our forces, with the power of the united armed forces of the Warsaw Pact. . . . It is the sacred duty of the Soviet Armed Forces to reliably defend the conquests of socialism and peace on Earth."

A crucial feature of Ogarkov's Communist article is his praise of Sta-

lin and the role played by him and his high command, the Stavka, in the last "holy war." Ironically, Soviets like Ogarkov who spare no opportunities to characterize Reagan's policies as a "crusade" against socialism, are themselves those who often use the crusading language of "holy wars."

On Feb. 1. Marshal Ogarkov's twin in Church garb, Moscow Patriarch Pimen, repeated his attack on President Reagan's Strategic Defense Initiative in a statement to the Soviet news agency Novosti, saying that "it is the sacred duty of all religious people" to put a halt to the Strategic Defense Initiative. Two days later, ROC Metropolitan Antonii in a Russianlanguage broadcast repeated the Patriarch's condemnation of the SDI. The anti-SDI campaign was first begun not by the Russian State but by the Russian Orthodox Church. The first Russian policy pronouncement blasting beam weapons—eight months before President Reagan publicly announced the program—and calling the campaign to stop them a "sacred duty" was delivered in 1982 by Patriarch Pimen.

Recently, a top ROC official, recalling the Stalin years, made the most explicit statement demonstrating the close coordination between the military and the ROC on plans for worldwide hegemony.

On the eve of the Feb. 23 Soviet Armed Forces Day celebrations, the ROC Metropolitan Juvenali of Krutitsi and Kolomna, in an interview for the Vienna-based Catholic Information Agency Kathpress—not reported anywhere in the Western press—de-

clared: "The millennium in 1988 will be a great spiritual festival and in this connection we shall be reminding the Russian people of their ancient traditions of striving towards God and spirituality. . . . This Jubilee will be the celebration of our Holy Faith and Mission."

In language indistinguishable from any military leader, Juvenali declared in the same interview:

"It is the sacred duty of our Armed Forces to guard the frontiers of our country. Therefore our Armed Forces are always prepared to repel any danger threatening us. Should the Church tell the Army not to defend our holy borders? Should we tell our armed forces to neglect their sacred duty? Under no circumstances would we do so. . . . To hold our Army back from its duty would, in our eyes, be as senseless as the demands made on our government to make unilateral concessions when it has already stated that it would not make a first strike. It is the holy duty of the Church to pray that there will be no attack for us to repel. . . . [However] we are secure, as we see the continuing fulfillment of the Word of Christ in our country, that the Gates of Hell shall not prevail against the [Russian Orthodox] Church. Therefore we are untroubled about the future."

In the same breath, Juvenali repeated Patriarch Pimen's call for a moratorium on space-based weapons, adding that the ROC supports all the more the "peace initiatives" of the Soviet government, while "regretting" that "the Western powers are practicing policies which we, as religious leaders, must criticize." Juvenali, as head of External Church Relations, has played a pivotal role during his frequent trips to the West to meet with Western "religious" leaders in organizing the Nuclear Freeze and anti-SDI movements.

Report from Italy by Liliana Gorini

Reagan-Gorbachov on Capri?

The proposal has a very interesting background, and even more interesting history.

A letter of invitation for a "presummit" on the island of Capri has been sent to President Reagan and to Soviet leader Gorbachov by the mayor of Capri. According to the April 15 German daily Sueddeutsche Zeitung, "The invitation reminds us that in the beginning of the century, Lenin was in Capri twice, and that John F. Kennedy also visited the island."

A meeting between Soviet Ambassador Lunkow and American Ambassador Maxwell Rabb has already been set up on the island for April 26. The Soviet ambassador confirmed his presence on April 25 and 26 to discuss the proposal. Raab has not yet confirmed to our knowledge, but "comes to Capri every year" at about this time, according to a spokesman for the municipality's tourist bureau.

The same spokesman explained to a journalist that the invitation to a presummit in Capri has an interesting background.

"In 1983," he said, "I led a delegation of the municipality of Capri to the Soviet Union, which was received by the Central Committee, and I spoke on Russian TV. We also agreed to have a partnership between Capri and the city of Alustra in Crimea, which is topologically like Capri.

"At that time, we brought up a proposal for a summit in Capri between Reagan and Andropov, who was then the general secretary of the Soviet Communist Party. Then, there was the

Korean Airline accident [sic], and we had to drop the proposal for a while. I took it up again six months ago, in a discussion with the Russian and American ambassadors in Rome, who declared their openness to the idea. That's why we sent an official letter of invitation. We are convinced that such a pre-summit in Capri, just to get to know each other, could work out very well."

The spokesman added that the ambassadors' meeting on Capri on April 26 will discuss the details of the presummit proposal. "We have important people here every year," he continued, "ministers, heads of state. In 1964 there was an official Soviet delegation led by the number-two man in the Soviet Union at that time, Kirilenko, who unveiled a statue of Lenin here in Capri."

There is also a deeper background to such matters. Capri has indeed hosted important people, who have there planned much more earth-shaking things than a pre-summit.

The reason for Lenin's popularity in the little island, geographically far from the Soviet Union, is that in 1909, it was Capri that gave birth to the first Bolshevik school of "Propaganda and Agitation for Workmen," known ever since as the "School of Capri." In effect, the Russian Revolution was plotted there.

The school, which continued giving classes for more than a year, was supported by the group of "left Bolsheviks" around A. Bogdanov, Maxim Gorkii, and Anatolii Lunacharskii. The concept of *Proletkult* (proletarian culture) was not invented in Moscow or St. Petersburg, but in Capri, at the school of Soviet propaganda.

Capri was the site of much discussion among Bolshevik leaders over whether religious cults should really be banned in the Soviet republic, or whether "Russia should be loved in its totality." Lenin, as well as Rosa Luxemburg, Leon Trotsky, and Josef Stalin, took part in the discussions, and left behind them such a large Russian community that a Russian-Italian library was established and assigned in 1914 to Nikolai Lyubarskii, who later on became the Comintern representative in Italy. In the Capri Certosa, there is also an Italo-Russian ethnographic museum.

The large Russian community in Capri used to live as a single family, meeting every evening on the Monte Solaro and staying up all night to listen to the Russian singer Fyodor Chalyapin while they waited for the sun to rise.

During the same period that the upheaval in Russia was being planned, the upheaval in Italy itself was being planned. Collective rites were held on Capri at that time by the "futurists" around Marinetti, the painting movement of Fascist Italy. The "futurists" met in the Grotta Matermania to hold rites to the pagan goddess Mithra (Great Mother, Isis, etc.)—sometimes interrupted by the police, inasmuch as the rites were preparation for human sacrifices to Mithra at the moment of the Sun's rising.

On top of a cliff overlooking such sights is the ancient villa of Tiberius, the Roman emperor under whom Jesus Christ was crucified, and the pontifex maximus of the Mithra cult.

46 International EIR April 30, 1985

Vatican by Augustinus

Pope greets Schiller Institute

The Pope's appeal for policies based on the American republican tradition contrasts to what Washington is doing.

n Friday, April 12, Vatican Radio ran an interview on its afternoon newscast with a German representative of the Schiller Institute, Gabriele Liebig, in which she announced the international demonstrations called for April 13 by the Institute to protest unemployment, illegal drugs, and hunger in the world, and to stop the genocidal policies of the International Monetary Fund. Over the radio station with the world's largest broadcasting radius, Mrs. Liebig put forward the proposal of Institute founder Helga Zepp-LaRouche, that President Reagan convene an international summit with the concerned countries to discuss and resolve the debt problem: "We ask that the Pope bless this summit, which should be dedicated to Indira Gandhi in honor of that great leader of the non-aligned countries."

No blessing has come as yet for the Gandhi Memorial Summit, but on April 14, the Pope after his customary Sunday Angelus warmly greeted the large delegation of the Schiller Institute gathered in St. Peter's Square under the huge banners which had been used in the previous day's demonstration. John Paul II said, "I especially greet the delegation grouped under the banner of the Schiller Institute on which I read 'War on Drugs.'"

The Pope also struck a theme similar to the Schiller Institute's calls for the United States to break with the IMF, by appealing to Americans to return to the United States' republican tradition on the issues of Central America and the debt—which would certainly contrast with the policies

Washington has been pursuing. On April 13, while hundreds of thousands of people around the world from Stockholm to Mexico City were marching together with the Schiller Institute and the Movement for the Inalienable Rights of Man, Pope John Paul II received in the Vatican a delegation of American senators bringing him a letter from the U.S. President on Central America. The Pope's response was: "It is extremely evident from history and from an accurate reading of the signs of the times that the American people have a special mission of service in the world. God has abundantly blessed your forebears and the land they settled in: It is no wonder that he permits so many people throughout the world to place so much hope in America. How many refugees and immigrants have found new life in your land!"

He continued: "In order to make a lasting contribution of service, in order to promote the true solidarity of peoples, America must remain faithful to herself as 'One nation under God,' being truly conscious—in the expression of your own Declaration of Independence—of 'nature's God,' of the 'Creator,' of the 'Supreme Judge,' and of the 'Protection of Divine Providence.'"

"In the awareness of this dependence on God, America is then able to sustain the defense of those rights which your Founding Fathers reverently spoke of as 'Life, Liberty and the pursuit of Happiness.'"

The Pope concluded with a strong exhortation: "As Senators of the United

States you are in a splendid position to make a monumental contribution to the defense of life, the preservation of liberty and the attainment of true human happiness for countless men, women, and children—millions of whom are yet unborn."

Meanwhile, the press organ of the Holy See published the statement of the Permanent Council of the Peruvian Bishops' Conference on the occasion of that country's elections.

The document, inspired by the Pope's speeches during his recent visit to Ibero-America, reiterated that "Any political project must start off from, necessarily, man himself, his dignity, and the inalienabile rights that such dignity of the person brings."

Citing expressly the Pope's words, the bishops stressed that two great problems afflict Peru and the Latin American countries: scarcity of jobs and foreign debt. On the debt, the Pope had said: "The international community for its part, and the institutions operating in the context of cooperation among nations, should apply just measures in their economic relations with the developing countries. They must abandon all discriminatory treatment in trade. Offering the necessary financial aid, they must seek, by mutual agreement, those conditions which allow them to aid these peoples to get out of a situation of poverty and underdevelopment; renouncing imposing financial conditions that, in the long run, instead of helping these populations to improve their situation, drive them in deeper, till they reach desperate conditions leading to conflicts of incalculable gravity.'

Obviously this quotation from this speech of the Pope, just a few days before the interim IMF meeting in Washington, sounds like a warning against the IMF's austerity policies becoming codified in that meeting.

EIR April 30, 1985 International 47

Investigative Leads by Thierry Lalevée

Betrayed by their Swiss accounts

Police were led to the Paris apartment that confirms the Nazicommunist connection, by a Swiss bank account.

Investigations made since last summer by the French counter-intelligence agency, DST, have brought home the point that Switzerland and Swiss banks in particular are essential to international terrorism. This was uncovered as joint investigations in France and in Italy looked into the activities of the little-known "Lebanese Armed Revolutionary Faction" terrorist group. Since 1981, the LARF has claimed responsibility for an assassination attempt against the U.S. chargé d'affaires in Paris in November 1981; the killing in Paris of the American deputy military attaché, Charles Ray, in January 1982; the murder of Israeli diplomat Yacov Barsimantov in April of the same year; and in 1984, an assassination attempt against the American consul in Strasbourg, as well as countless other bombings which claimed the lives of many French policemen.

Recently, the LARF came again into the limelight as in early March they kidnaped for a few days the French cultural attaché in the city of Tripoli in northern Lebanon. Investigations and subsequent negotiations with the group revealed that most hailed from the small northern city of Qobeyat, a primarily Maronite Christian town. Members of the LARF, it was revealed, were all Maronite Marxists who had variously joined earlier the "Organization of Communist Armed Struggle," a splinter group of the Lebanese Communist Party, and belonged to the intelligence branch of the Syrian National-Socialist Party, the advocate of Greater Syria, before being integrated into Syrian intelligence's operations through George Habash's Popular Front for the Liberation of Palestine.

Until this was known, the LARF was merely considered as the "foreign action branch" of the French terror group Direct Action, an assessment that came from recorded contacts between members of the two groups in the shadowy squatters of the 18th arrondissement in Paris, out of which a Turkish-appearing hit-man of the LARF allegedly came in the early 1980s.

The intelligence breakthrough came last October when one Georges Abdallah Ibrahim was arrested in Lyon by the DST, an arrest followed in December by the arrest in Rome of Josephine Abdo Sarkis. Both were leading members of the LARF, with Ibrahim considered as one of the key agents of the PFLP-action group controlling the LARF. Months of investigations revealed that Ibrahim, first charged only with possessing false passports, may have been the one sent to Europe to plan the assassination of Israeli Prime Minister Shimon Peres during his December visit to Paris, and was an essential element in the assassinations claimed by the LARF.

Josephine Abdo Sarkis herself is being charged with Barsimentov's murder. On April 5, the DST entered an appartment at 18 Rue Lacroix in Paris and discovered an arsenal that included several rocket launchers and machine guns. Most interesting, it also included a 7.65 Czechoslovak-made pistol alleged to be the same weapon

used in the LARF assassination.

To get to this apartment, the DST had to armtwist a few Swiss bankers. It had been discovered that Ibrahim, arriving from Geneva when picked up in Lyon, had a large bank account in Switzerland which was visibly financing the activities of the LARF in Europe. The account was also used to rent a Paris apartment. As it was discovered, the apartment was not merely for the use of the small LARF, but served as safehouse for the German Red Army Faction, the Italian Red Brigades and the Belgium Communist Combatant Cells.

The official conclusion drawn, reported the press, is that while Paris was an operational base, Switzerland was the center for "financing and political planning." Safehouses were quietly used in Brussels, Rome, and Madrid.

The Swiss connection was further underlined in the Paris daily Le Figaro of April 1 and April 8, where it was stressed that the LARF was part of a Swiss-based international terror network which, using "such mercenaries as Carlos," is based on "anti-Zionism and anti-Semitism." Such a network exists, continued Le Figaro, around known Swiss personalities "formerly close to the Nazi regime and former north African personalities," an unmistakable reference to Nazi Banker François Genoud of Lausanne, Switzerland, and his employee, former Algerianstrongman Ben Bella. Needless to add, continued Le Figaro on April 8, these networks are "manipulated by East bloc intelligence."

It is about the closest anyone besides *EIR* has come to identifying the key to the current terrorist upsurge in Europe: the cooperation between the Soviet KGB and the old Nazi networks of the Western European oligarchy.

48 International EIR April 30, 1985

From New Delhi by Susan Maitra

Rajiv's new diplomatic initiative

Foreign Secretry Bhandari's five-nation regional tour makes the government's foreign-policy priorities clear.

When Foreign Secretary Romesh Bhandari set out on his five-nation tour in late March, his directive from Prime Minister Rajiv Gandhi was simple and direct: India is actively pursuing improved relations and seeks to reopen direct communication at the highest level on bilateral, regional, and international matters of concern to its neighbors.

India's diplomatic thrust precedes Mr. Gandhi's state visits to both Moscow and Washington in May and June, respectively. While the United States has sought to have India fall in behind its view of the region's geopolitical imperatives, the Soviet Union's leverage rests on its ability to keep India's relations with its neighbors sour if not overtly hostile. The strident efforts of the pro-Soviet lobby in India to bring about a collision with Pakistan are exemplary.

The only alternative for India is to take the situation in hand on its own account, establishing alliances with its neighbors for a cooperative approach to the region's development. Pakistan is the key in such a strategy.

At Rajiv Gandhi's direction, the focus of past Indo-Pakistani rapprochement efforts, the signing of a "no-war pact" or "friendship treaty," which stalled because of Pakistan's principled refusal to commit itself on the issue of foreign bases, has been put aside for the moment. Instead, the two sides will work to expand ties and build confidence.

For a start, the Indo-Pakistan joint commission will resume work broken

off in July 1984 following the hijacking of an Indian airliner to Pakistan by Sikh separatists and other indications of Pakistani collusion in the Punjab disturbances.

During his visit to Pakistan, Mr. Bhandari met with President Zia ul-Haq, Foreign Minister Shahab Zada Yaqub Khan, and Senate chairman Mr. Ghulam Ishaq Khan, as well as his counterpart, Niaz Niak. Under discussion was the regional situation, the Iran-Iraq war, and, in particular, Afghanistan.

Opon his return to New Delhi, Bhandari told the press that Pakistan views friendship with India as "an absolute necessity." The two foreign secretaries will meet again in May. In the meantime, the Pakistani foreign minister is visiting New Delhi for meetings of the Non-Aligned Movement, in which context it is expected that talks will be furthered.

Following the trip to Islamabad, Mr. Bhandari proceeded to Kabul with a comprehensive brief from Prime Minister Gandhi on all aspects of the Afghanistan problem. Breaking protocol, Foreign Minister Shah Mohammad Dos conducted the meeting with Mr. Bhandari. The Indian Foreign Secretary also had talks with President Babrak Karmal and Prime Minister Sultan Ali Kishtmand.

A new offer of direct talks with Pakistan without preconditions was put forward by Dos during the discussions. "We have an open mind on this crucial question," he later told the press, "and we assured the Indian side that if all overt and covert foreign interventions stop, a phased withdrawal of Soviet troops could begin."

Mr. Bhandari apprised the Afghan officials of the thinking in Islamabad. According to some reports here, the Pakistanis had evinced an interest for the first time in India mediating over the Afghan problem.

While there is little thought here that India can, by itself, get the Soviet troops out of Afghanistan, India could help Kabul and Islamabad find a formula that would compel Moscow to review its position. In the joint statement issued in Kabul after the Bhandari visit, India and Afghanistan expressed their shared conviction that no military solution was possible, in addition to their concern over the "deteriorating security environment" due to "the introduction of sophisticated arms into Pakistan"—the latter concern voiced from Kabul and clearly meant for Moscow's ear.

Earlier in Sri Lanka, the first stop on Bhandari's tour, high-level political contact was reestablished to create a political climate conducive to the resumption of negotiations between the Tamils and the government. New crises are erupting in Sri Lanka—from charges that Sri Lankan President Jayawardene had asked Margaret Thatcher for British troops, to new violence between Sri Lankan Muslims and the Indian Tamil minority. But it has also been mooted that Jayawardene is preparing a package of concessions discussed during the Bhandari visit to get an all-party conference going again.

In Bangladesh, the last stop, Mr. Bhandari carried a special message from Rajiv Gandhi to Gen. H. M. Ershad, announcing that the two sides had decided to reopen negotiations on the sharing of Ganges water, one of the issues that has vexed relations in recent years.

International Intelligence

Thatcher safehouses Khalistan terrorists

British Prime Minister Margaret Thatcher was described as "bouncing with happiness" following her mid-April meetings with Indian Prime Minister Rajiv Gandhi. Thatcher is working on a £1 billion arms deal, in addition to Indian purchase of Harrier aircraft and 11 Westland helicopters.

While Thatcher was discussing further ministerial meetings with Gandhi, Jagjit Chauhan Singh, the Sikh separatist leader who boasted of murdering Indira Gandhi, was holding a meeting at the Khalistan House in London, plotting destabilizations like the one which led to the killing of Mrs. Gandhi. Chauhan bragged that Rajiv Gandhi too will "meet his fate"—but then denied that this was a death threat.

It is well established that Chauhan is a jointly held British/Soviet asset, and security forces are investigating the secret deals between the British and the Soviets to eliminate Rajiv Gandhi through assassination, using the same Sikh and other separatist networks that killed his mother.

Moscow, Tripoli, and the fate of Pakistan

With the incentive of Libyan money, many members of the Pakistan People's Party are joining Moscow in its bid to destroy Pakistan. Haseej Pirzada of the Sindh region, formerly of the PPP, has done so openly by joining a front with Baluchistan separatist leader Attar Ul Mengal and Bangash of the Northwest Frontier, for a new independent and sovereign status for these regions.

Munir Sheikh, a PPP leader based in Stuttgart, West Germany, has called for the party to join hands officially and openly with Kabul and Moscow against Pakistan's President Zia ul-Haq—a motion which has little chance of acceptance, however, by the PPP leadership under Benazir Bhutto, who is currently touring the United States.

But the Stuttgart call demonstrates a deeper Libyan manipulation of some PPP

layers. Associated with the Stuttgart exile community is the Frankfurt-based magazine Al Nusrat of Mozaffer Sheikh, named after a Pakistani splinter organization first established in Mannheim around Waqee Hamadani. Though entirely integrated within a Libyan network, this grouping still claims allegiance to the PPP, in order to qualify for the legal status of political exile in Germany.

The Bonn govrnment, which is perfectly aware of the situation, turns a blind eye on these operations, while it rejects the application of genuine exiles. The Libyalinked Pakistani exiles are known to be associated with Atlaf "Muntaz" Abassi, the man who mediated a meeting between top Libyan officials and British Miners' Union chief Arthur Scargill in Paris recently, and who was named by Tony Gill, the British citizen arrested in Cairo for his role in the failed assassination plot against former Libyan Prime Minister Abdel Hamid Bakoush, as his contact man with the Libyans and the super-terrorist "Carlos."

FEF gains Thai support for SDI

On April 18, Fusion Energy Foundation Research Director Uwe Henke v. Parpart gave a briefing on the Strategic Defense Initiative in Bangkok, Thailand. The meeting was cosponsored by the FEF and Thailand's Armed Forces Communications and Electronics Association. Participants included representatives from the National Defense College, the interior ministry, the Special Branch of the Thai police, and Soviet and American embassy personnel.

A Soviet representative asked, why bother investing in beam defense if it does not provide 100% protection? Parpart replied that if the Soviets thought the system was not feasible, why worry? Many copies of the FEF's book, Beam Defense, An Alternative to Nuclear Destruction, were purchased by those in attendance.

One day prior to the briefing, *EIR* scored a political victory in its dispute with the Foreign Correspondents' Club of Bangkok. The FCC has tried to block the accreditation of

EIR correspondent Sophie Tanapura because of the political "prejudice" of this magazine. Following a talk by General Prichit, head of the 1st Thai Army, Mrs. Tanapura and Asia Editor Linda de Hoyos were warmly introduced by a personal friend of the general, who described EIR as "that U.S.-based think tank." Mrs. de Hoyos then relayed a message from EIR founder Lyndon LaRouche in support of preserving the national sovereignty of Thailand.

Svenska Dagbladet covers SDI favorably

The Swedish daily Svenska Dagbladet gave favorable coverage to President Reagan's Strategic Defense Initiative in an op-ed article on April 17. Staff correspondent Mats Johansson entitled his article, "Star Peace." He wrote that Reagan does have popular support for the SDI in the United States. The Soviets, however, have allies among "respectable Democrats in Congress, reputable commentators in the media elite, experts, and former military leaders."

Johansson concludes that "Reagan is wrong and the anti-SDI faction is right—provided we can depend on the fact that the Soviet Union has no offensive ambitions and does not plan to continue on its own [beamweapon strategic defense] program."

This article appears at the conclusion of an intensive campaign by the Schiller Institute in Sweden to organize military and industry layers of the population for a seminar on beam-weapons held on April 18 in Stockholm. The SDI is broadly understood now in higher-level military circles, whereas Swedish industry still lacks knowledge about the significance of the SDI for the Western alliance, both militarily and economically.

Pope intervenes against euthanasia

"Euthanasia will not pass," declared the general-secretary of Italy's Christian Democratic Party, Ciriaco De Mita, speaking in

Bari on April 17 after a meeting with Pope John Paul II. The Pope impressed on the general-secretary the necessity of waging a campaign to support Christian values and the sacredness of life. De Mita attacked proponents of euthanasia bills such as Socialist Loris Fortuna, saying that they represent a "culture of death" which cannot be accepted by Catholics.

The Pope discussed the current Italian election campaign, calling for "coherence with Christian values" in a statement to the bishops' conference in Loreto on April 16. The call was attacked by the Communist Party as "interference." On May 12 throughout Italy there will be administrative elections, followed by presidential elections, which are supposed to decide whether or not Italy will be governed for the first time by a majority Communist Party.

Mubarak peace plan suffers setback

Egyptian President Mubarak suffered severe setbacks in his peace initiative on April 13, as Palestine Liberation Organization chief Yasser Arafat announced that, while a Jordanian-Palestinian representative could meet with a U.S. official, Mubarak's proposal for direct negotiations thereafter with Israel "cannot be accepted." Arafat reiterated his support for the convening of a U.N. conference.

On top of that, the Likud Party in Israel vetoed a proposal that Ezer Weizman should go to Cairo to prepare an imminent summit between Israeli Prime Minister Shimon Peres and Mubarak.

Peres then threatened to resign from the government on April 15 over the vetoing, by Likud leader Yitzak Shamir, of Weizman's visit to Cairo. The trip was then accepted at the price of stripping Weizman of any significant negotiating powers.

However, soon after arriving in Cairo, Weizman told reporters that a summit meeting between Mubarak and Peres could take place within "a matter of weeks." Weizman, one of the architects of the Camp David Summit, said he was "positive" the meeting would occur.

Flemish magazine covers SDI, LaRouche

Belgium's largest Flemish weekly magazine Knack published a five-page article on the Strategic Defense Initiative and the "LaRouche-lobby" on April 10, with a painting of a beam-weapon destroying a Soviet ICBM on the cover page.

LaRouche, the article reported, was the first man (shortly before Dr. Edward Teller) to revive this idea, which later came to be called "Star Wars." The article characterizes Henry Kissinger as, in LaRouche's view, a Soviet-Russian secret agent, and the Green Party as Soviet-inspired fascists. LaRouche is characterized as belonging to the tradition of the "Brothers of the Common life," Nicolaus of Cusa, Leibniz, Carnot, Riemann, and St. Augustine.

The article ends: "All this is to permit man to colonize the Moon and Mars, because this is now the only way to raise man to the level of the Creator and to prevent him from degenerating into a beast that splashes in the bogs of Earthly existence."

Muammar Qaddafi: 'Sudan is ours'

"Sudan is ours," declared Libya's Muammar Qaddafi on April 11, in a press conference at which he warned that "Reagan's nose will be cut" if he interferes into Sudanese affairs. "Reagan has nothing to do with the Sudan. Reagan must take care of his own country and he has big problems there," Qaddafi ranted.

On the same day, Qaddafi announced that a revolution in Tunisia is one of Libya's latest plans. Questioned in a press conference about Tunisian-Libyan relations and whether he planned a visit to Tunisia, Qaddafi answered that he wanted to go "after the Liberation." He then defended the broadcasts of "Radio of Holy Revenge" from Libyan territory, which are calling on the Tunisian people to revolt against the government of President Bourguiba and to massacre the Jewish community there.

Briefly

- OLOF PALME'S origins have now been explained: In the April 17 London Times, under the title; "Mummy Reborn," appears the following: "Scientists in Sweden have reactivated DNA extracted from the preserved tissue of an Egyptian mummy, embalmed about 2,400 years ago." How the mummy got to pre-war Latvia and into the Palme family plot, will remain a secret.
- A SENIOR SWISS military official in Berne stated on April 15, "We have important technologies that can be of interest for the program [the Strategic Defense Initiative], and we're interested in the program. We're officially neutral, but we're interested." This comes only a few days after Switzerland's defense minister manifested his government's interest in participating in the SDI.
- A REPORT BY the Swiss National Bank's former archivist, Rovert Vogler, admitted for the first time that "it seems certain that some of the gold of the German Reichsbank shipped to Switzerland was seized in occupied countries or from Jews in concentration camps." The report also shows in detail "the extent to which the bank let the Nazis use Swiss neutrality to finance their own war effort."
- CAIRO IS CALLING for Qaddafi's overthrow for the first time in close to 10 years. The Cairo evening radio broadcast "Voice of the Arabs" has begun to beam every night into Libya, calling on the Libyans to rise and overthrow their bloody dictatorship. This has not been done since the 1977 Egypt-Libya war.
- KING LEKA I, the exiled king of Albania, who lives in South Africa, forecast instability in the Balkans on April 13 after the recent death of long-time Stalinist leader Enver Hoxha. King Leka I is the son of the late, deposed King Zog.

EXERIPTE Investigation

U.S. attorney Weld: tool of dope banks

by Nancy Spannaus

Will the U.S. Justice Department permit one of its representatives to use its police powers to carry out a political vendetta on behalf of the international dope banks? That is the issue which was put before Attorney-General Edwin Meese on April 16, 1985, when Campaigner Publications, a publishing house run by associates of Lyndon LaRouche, presented documentation of Massachusetts U.S. Attorney William Weld's violations of ethical standards in his ongoing grand-jury investigation of a whole array of organizations run by LaRouche associates.

The material presented with the Campaigner complaint substantiates the following charges against the Boston Brahmin Republican Weld:

"In summary, we believe that Mr. Weld has lost complete independence and impartiality in initiating and pursuing the investigation of the LaRouche campaign and other organizations. Not only are his actions based upon personal, family, business, and political considerations, but they drastically undermine the confidence that the public has in the integrity of the United States government. His continued participation in this case, at a minimum, creates a clear appearance of impropriety. The facts overwhelmingly indicate that Weld has:

- "• substantial personal and financial ties with parties who have participated in the grand-jury investigation, who will benefit from its successful conclusion, and who have benefited from Mr. Weld's actions in the past.
- "• significant political differences with the LaRouche organizations which have motivated his actions to selectively choose them for investigation and to, in fact, fabricate an alleged charge of credit-card fraud against them.
- initiated this investigation solely in bad faith and in an effort to harass the LaRouche organizations because of his political differences with them and in retaliation for their exercise of their First Amendment rights in publishing information critical of Mr. Weld and his cohorts.

"With all of this in mind, we respectfully request that you order the immediate removal of William Weld from any further participation in the above-mentioned grand-jury investigation and that you order an immediate investigation into the factual allegations of misconduct that we have alleged."



The family of U.S. Attorney William Weld (above) is in business with Crédit Suisse, which was just caught laundering dirty money for the Boston Brahmins. Behind Weld's crusade against Lyndon LaRouche lurks such figures as Seagrams Corp.'s Edgar Bronfman (below), a contributor to Weld's political campaigns who was exposed by LaRouche and associates in 1978 as a financier of the drug traffic.

In the following pages, we review the leading evidence against the Massachusetts U.S. Attorney, evidence which demonstrates that Weld's conduct can only be explained if he is understood to be a political tool of the international dope banks who want to eliminate their political enemy, Lyndon LaRouche. We rely almost entirely on the public-record material which was presented by Campaigner Publications to Attorney-General Meese.

A dope banker's boy

William Weld is the young scion of a leading Boston Brahmin family, which made its money in the international securities business in the firm of White Weld and Company. By both family connections and business connections, the Weld family heir is a representative of a nexus of international bankers who have been increasingly exposed in the recent period to be dope bankers.

White Weld and Company was founded in Boston in 1890 in order to handle "old" money for East Coast families, i.e., the Brahmins. Among its major centers were Canton and Shanghai, which suggests a continuing interest in the China trade (i.e., opium) through into the modern days. Just before the Communists took over mainland China in 1949, however, White Weld withdrew its money through Hong Kong to Uruguay, and then to the modern-day center of dirty money, Switzerland. Weld is married into the Teddy Roosevelt family, which has been identified by American historian Anton Chaitkin as involved in treasonous activity against the United States, including amassing fortunes from the China opium trade.

The White Weld firm itself has much more recent links with the dope business. The firm entered a partnership with the third largest bank in Switzerland, Crédit Suisse, in the 1950s. In fact, the European subsidiary of White Weld, White Weld AG, was transferred in toto to Crédit Suisse. According to Paul Ferris in an article written for Fortune magazine in November 1984, the impetus for the transfer was the fact that U.S. politicians were beginning to threaten to interfere with the mafia's stashing away its cash in secret Swiss bank accounts, and, as the only Wall Street firm to own a finance company in Switzerland, White Weld was a prime target for investigation.

In 1974, the connection between Crédit Suisse and White Weld became closer, with the formation of Crédit Suisse White Weld. Soon afterwards, the firm decided to discard the White Weld name altogether. White Weld in New York was sold to Merrill Lynch, and exists as an independent entity only on paper. Then, Crédit Suisse White Weld merged with a new American corporation, First Boston, in 1978. Dropping the White Weld name, the new corporation became Crédit Suisse First Boston.

Crédit Suisse First Boston, the firm in which the Weld family fortune is still tied up, currently controls 22% of the Eurobond market. This extraordinarily strong market position gives it the leverage to launder as much dope money as it might please.

To the knowledge of *EIR* investigators, Crédit Suisse First Boston has been implicated in dope-money laundering in at least four major instances:

1) Crédit Suisse of Zurich led the list of Swiss banks that

EIR April 30, 1985 Investigation 53

participated in bank-to-bank transactions which involved the shipment of unusually large amounts of \$5, \$10, \$20 bills to the Bank of Boston in exchange for \$100 bills—an action which led to investigation by the Justice Department and characterization by Treasury Enforcement head John Walker as "laundering drug money" (see *The Wall Street Journal*, March 6, 1985; this is also covered in the second to the last paragraph of a *Boston Globe* article, dated Feb. 8, 1985, titled "Bank of Boston Guilty in Cash-Transfer Case.")

2) Crédit Suisse's branch in Miami, Florida was the first bank to be targeted by the Reagan administration's campaign against drug-money laundering, called Operation Greenback, which began in 1981. Crédit Suisse had to provide three "currency transaction reports" before the investigation was closed.

3) Crédit Suisse has been documented by New York U.S. Attorney Rudolph Giuliani to have provided the banking services for the mobsters involved in the "Pizza Connection." A total of \$4,724,300 in cash was deposited at the Bellinzona branch of Crédit Suisse by the gang's couriers in less than two years time, according to the bill of indictment presented to the U.S. District Court, Southern District of New York. Giuliani is quoted as saying that Crédit Suisse was at the center of the \$1.65 billion in narcotics-money laundering.

4) Crédit Suisse was the main banker for the notorious drug-money launderer, Bernie Cornfeld, when he set up the Investors' Overseas Services corporation, until special Swiss legislation forced it to turn IOS over to the Overseas Development Bank in Luxembourg. When Cornfeld set up his scam, he solicited Switzerland's "Big Three" banks, and it was Crédit Suisse that signed on the dotted line. The bank not only made itself legally responsible for IOS and put its Dutch affiliate in charge of managing its securities, but had its officers act as salesmen for IOS paper. The current Havana-based banking services for Ibero-American dope money run by Robert Vesco, who bought IOS from Meshulam Riklis, who bought it from Cornfeld, are probably still facilitated by Crédit Suisse.

Should a lawyer related to Crédit Suisse be trusted in a dope-money investigation?

The Bank of Boston case

When you look at William Weld's handling of the recent case of the Bank of Boston, it is clear that the answer is, obviously not.

As U.S. Attorney for Massachusetts, it was William Weld's responsibility to investigate the suspiciously large number of cash transactions which were being carried out primarily between Switzerland and New York at the Bank of Boston. The total amount of unreported cash transactions amount to \$1.2 billion, carried out with nine foreign banks (cf. Boston Globe, Friday, Feb. 6, 1985).

Yet, rather than pursue the case to uncover why the Bank of Boston was covering up, U.S. Attorney Weld allowed the Bank of Boston to plead guilty to a felony charge of "knowing and willful failure to file cash transaction reports," and to stop further investigation. The deal negotiated between Weld's office and the Bank resulted in a fine of \$500,000—and a burying of the drug laundering issue. In U.S. law, this is called a "plea bargain"—in which more serious charges are dismissed in exchange for a plea of guilty to a lesser offense.

Weld's action protected both his family connections at Crédit Suisse, one of the nine banks carrying out the transactions, and his friends at Bank of Boston. At least two prominent officials of the Bank of Boston were close enough to Weld to contribute to his political campaign for State Attorney-General in 1978: William C. Mercer, honorary director of the Bank of Boston; and Peter M. Whitman, senior vice-president of the Bank of Boston.

One could easily come to the conclusion that at least some members of the banking community of Boston thought they had William Weld in their hip pocket. Dope banks against LaRouche

Why would the banks of Boston or Crédit Suisse want to deploy William Weld against Lyndon LaRouche? The reason is clearly evident by looking at the history of LaRouche's attacks on the banks, and the fact that the operations against the financial side of dope-running by the Reagan administration were bearing out LaRouche's charges to a tee.

LaRouche initiated a high-profile campaign against illegal drug-trafficking in 1977, putting special emphasis on the "respectable" financial institutions without which the circulation of hundreds of billions of dollars in drug traffic would be impossible. LaRouche commissioned the the book *Dope*, *Inc.*, published in 1978. *Dope*, *Inc.* named the names of many major financial institutions involved in drug-trafficking, including Crédit Suisse of Canada.

Two of the prominent culprits named by *Dope, Inc.* were Edgar Bronfman of the Seagrams Corporation; and United Brands, formerly known as United Fruit. *Dope, Inc.* went into great historical detail on the mob-connections of both corporations, as well as their present-day operations.

Naive bystanders were sure that the individuals named would sue—but they didn't. *Dope, Inc.* sold 50,000 copies, becoming a trade bestseller and an international legend. Still the prominent financial institutions didn't sue.

One of the individuals whom *EIR* spoke to about the dope lobby's response to *Dope, Inc.* was a business associate of Edgar Bronfman, who also ran Crédit Suisse of Canada up into the early 1980s—Major Louis Mortimer Bloomfield. Major Bloomfield expressed his displeasure at having been put under the microscope. He told *EIR* that the organization which had produced *Dope, Inc.* would not remain a political problem for long, because "Edgar Bronfman will take care of them."

It was in that same year, 1978, that Edgar Bronfman contributed to William Weld's campaign for State Attorney-General. Could it be that Weld, by going after LaRouche today, is belatedly returning Bronfman's favor?

Weld's friends at the Bank of Boston were also touched

54 Investigation EIR April 30, 1985

by *Dope, Inc.* One of the members of the board of directors at United Brands was Richard D. Hill, the same Richard D. Hill who was the chairman of the board at the Bank of Boston up through December of 1984.

LaRouche's campaign against the nexus of financiers behind dope-pushing did not end with the publication of *Dope, Inc. EIR* proceeded to uncover the prominent role being played by the International Monetary Fund in turning Third World countries into drug-producers, on the excuse that the highly profitable cash-crop could help them pay their debt.

This exposé again hit the Boston elite. The Bank of Boston happens to be the official bank for the International Monetary Fund in the United States. And Richard D. Hill, board chairman of the Bank of Boston, has functioned as the head of the IMF's adjunct institution, called the Ditchley Group, during the debt crisis of the early 1980s.

Then, in 1983, one Michael Gelber took up the information in *Dope, Inc.* for his mayoral campaign in Boston. Gelber concentrated his attack on the ruling powers in Boston, centered in the Chamber of Commerce and the informal bankers' ruling body, "The Vault." Singled out for political attack was Richard Hill, chairman of the Bank of Boston, both for his role with the bank and his relationship to Dope, Inc. founding-firm United Brands. Also exposed in campaign leaflets which called for a revival of heavy industry, and a war on drugs, was Bank of Boston Executive Vice-President Kenneth Rossano.

The Bank of Boston became known throughout the city as one of the major powers involved in deindustrializing Boston, and in standing in the way of the War on Drugs.

Did the Dope Banks deploy Weld?

Simply the circumstantial evidence of Weld's political connections to the dope banks should create at least a reasonable doubt that Weld would launch an "objective" investigation against the dope banks' major political enemy, La-Rouche. But the evidence is even greater.

It was on Oct. 29, 1984, right before the presidential election, that William Weld announced he was launching an investigation into supposed "credit-card irregularities" by the campaign organizations of Democrat Lyndon LaRouche, The LaRouche Campaign and Independent Democrats for LaRouche. As cited in an affidavit submitted to Attorney-General Meese by LaRouche security director Jeffrey Steinberg, at least five confidential sources told him that there were plans by the FBI and private institutions, including major banks involved in international drug-money laundering, to launch a "massive intervention" against LaRouche immediately after the election.

This is precisely what happened.

The primary excuse for the Weld investigation was the existence of a number of "chargebacks" of credit-card contributions against the campaign committees. Upon investigation, it has become clear that these "chargebacks" were

created by two sources: first, by the massive wave of television and radio publicity against the LaRouche campaign; and second, by the Bank of Boston itself.

As cited in an affidavit submitted to Meese by Criton Zoakos, the editor-in-chief of *EIR*, who conducted an investigation of the Weld campaign against LaRouche, "Approximatley 16 of the credit-card chargebacks that I am aware of in the Boston area, to one of the campaign committees, Independent Democrats for LaRouche, came from customers of the Bank of Boston. At least 9 of these individuals were contacted by the FBI or the Secret Service. The identities of those individuals were provided by the Bank of Boston."

In other words, it was the Bank of Boston which suggested to certain individuals that they would lose their creditcard privileges, or used some other inducement or threat, in order to get individuals to charge back against the LaRouche campaign.

The Zoakos affidavit continues:

"At least one contributor, Paul Corkery, was told by a Bank of Boston official that the bank would remove two \$500 charges against his account related to the LaRouche campaign if he would agree to testify that the charges were unauthorized. Another, Virginia Powers, was told that, if she did not agree to claim that her charge was unauthorized, the bank would 'tear up her card.' Both instances took place prior to Oct. 31, 1984, the date on which WBZ announced the start of the investigation."

Thus, on the word of a bank for whom he had carried out a major coverup, William Weld proceeded to carry out a witchhunt against any organization that could conceivably be connected to LaRouche. The FBI was put to work for Weld to contact contributors, and to contact other banks involved. As a result over \$200,000 of LaRouche campaign funds, and over \$140,000 of funds belonging to Campaigner Publications, were seized.

Not surprisingly, the banks which froze (or should we say stole) the largest amount of money, were documentably involved in shady financial dealings, or laundering of drug money, as well. The President's last report on organized crime cited New York's Chemical Bank for drug-money laundering. And it was Chemical that "froze" \$140,000 of Campaigner's money.

Less nationally notorious, but stuck like glue to the casino interests who have proven relations with organized crime, was the First Fidelity Bank of New Jersey, which took the occasion of a call from Weld-deployed FBI agent Richard Egan to take over \$200,000 of LaRouche campaign funds.

Weld then proceeded to try to force six other corporate entities to appear before the grand jury. Despite the fact that he failed to subpoena them legally, he relied on U.S. District Judge Mazzone, the same judge who had presided over his deal with the Bank of Boston, to find Campaigner Publications, Caucus Distributors, the National Democratic Policy Committee, and the Fusion Energy Foundation in contempt of court, and fine them \$10,000 dollars a day.

EIR April 30, 1985 Investigation 55

EXERNational

Jimmy Carter and cronies push surrender of U.S.

by Allen Douglas and Donna Levit

While the Reagan administration is conducting strategic arms talks in Geneva, and while the President himself is considering the possible terms of a U.S.-Soviet summit, a shadow government convened on April 12-13 at Emory University's Carter Center in Atlanta, Georgia, to set its own agenda. Nominally hosted by former Presidents Carter and Ford, the conference on "The Threat of Nuclear War" was organized by Henry Kissinger and his Trilateral Commission cronies—who put Jimmy Carter into the presidency in 1976.

They had one major purpose: to wreck President Reagan's Strategic Defense Initiative (SDI). As Eastern Establishment figure and Carter Secretary of State Cyrus Vance put it in his typically understated fashion, "I think the meeting can come up with conclusions and suggestions which will be of some help to the negotiators." The self-described "chairman of the Eastern Establishment," McGeorge Bundy, was a bit more explicit. ". . . It's my belief that the right course is for us to recognize the Soviet fear of what we might do in strategic defense is genuine, to ask in return that they recognize that our fear, whether or not in the end soundly placed, of their fully excessive deployment of both intercontinental and theater missiles is genuine, and that we trade out those fears in a grand bargain at Geneva." Interestingly, though the fact of the conference was mentioned in various of the nation's media, virtually none of the speeches or proposals from the American side have found their way into print.

The views of proconsul Dobrynin

Though the conference pulled together 50 or so "leading analysts of U.S.-Soviet relations," top figures of the Eastern Establishment, two former Presidents, former Senate Majority Leader Howard Baker, the chairman of the Senate Armed Services Committee (Sam Nunn), and other would-be poten-

tates, by far the commanding figure was the Soviet ambassador to the United States, Anatolii Dobrynin. Dobrynin, a fixture in Washington since the 1960s, is increasingly viewing himself as the Soviet proconsul in a restive but soon to be conquered outpost of the Soviet empire, an inevitability assured by the U.S. economic collapse. His four-man Soviet negotiating team included top laser scientist Yevgenii Velikhov and foreign ministry arms control specialist Sergei Tarasenko.

Where other conference participants stuck to the allotted five minutes for their second day summation, Dobrynin arrogantly took 40 minutes, saying "Please be patient but we consider the subject of violations by the U.S. quite important"—this from the man whose country had just assassinated U.S. Major Arthur Nicholson in cold blood! He then proceeded to argue for a return to "the golden age of disarmament" which had reigned under the Nixon, Ford, and Carter administrations, i.e., the Kissinger and Trilateral Commission puppets who sat next to him at the conference. After pleading against the "spread of the U.S. arms race to the heavens," Dobrynin continued, "The aims of the talks are defined as follows: not to start an arms race in space and to start radical reductions in nuclear arms."

Predictably, most of his talk was ranting against the American SDI, capped off by the following formulation: "American politicians rather loudly worry about Soviet ICBMS 1,000 miles away but what will say American people if as a result of the Star Wars doctrine, they will have over their own heads some new very destructive weapons. Soviet people I could assure you doesn't want it [sic] for themselves." Then, rephrasing the argument, perhaps for the better comprehension of Ford, Carter, and the potpourri of experts, Dobrynin continued, "Having lived for some time in

56 National EIR April 30, 1985

Washington I am aware of the intense rivalry between Redskins and Miami Cowboys (sic). I am sure that neither the head coach of the Redskins nor their offense would believe if somebody started to sell them the idea that Cowboys draw up their new defense line, focused on the television, and not to beat Redskins in the next season. I would even venture to predict Redskins' reaction. They would definitely recruit bigger and quicker and stronger guys for their offensive line."

After further complaining that "the United States is not willing to discuss anything specific about space with us" at Geneva, he fell back on an appeal for the U.S. to rely on Kissinger's good friend Secretary of State George Shultz and the January agreement signed between Shultz and Soviet Foreign Minister Gromyko, "The fact is that the U.S. entered the negotiations under the agreements signed by the two foreign ministers, Gromyko and Shultz, and this agreement stated that we should consider and resolve the three sets of issues, space, strategic and intermediate arms in their interrelationships."

Dobrynin then picked up precisely the theme struck by Kissinger in his opening speech, that the SDI be part of a "grand political agreement" on general U.S.-Soviet relations, including crisis management arrangements in various parts of the globe including the Middle East and Central America.

Kissinger, who was snuggling next to Dobrynin for much of the conference, let the mask fall from his apparent pro-SDI turn of late by snidely noting that "I must say that I have also gradually been converted not by the administration whose reasoning, whose various explanations of strategic defense are so manifold that it is difficult to know which one they are pushing at any particular moment."

The resolutions

A panel headed by U.S. Ambassador to Moscow Earle drew up a series of resolutions which formed the basis for the following, endorsed by the Soviets and Carter, Ford, Vance, Nunn, and Baker (partial list).

- 1) "That the United States and the Soviet Union pursue negotiations greatly to reduce and further limit nuclear arms, both intercontinental and intermediate weapons.
- 2) "That the sides should take more constructive and imaginative steps regarding verification of compliance with negotiated agreements." One of the great "developments" of the conference was Dobrynin's offer to open the Krasnoyarsk central Siberian ABM station to inspection by the United States after its completion in two or more years.
- 3) "Current and future negotiations continue to take into account the interest of allies and other countries in the avoidance of war and the enhancement of stability."
- 4) "Current and future negotiations while not conducted in a vacuum should at the same time not be held hostage to linkage with other unrelated issues between the sides. (In other words, it was the group's opinion that if there are those inevitable differences that arise because of regional conflict

or allegations of violations that these should not prohibit or interrupt the highly crucial arms negotiations)."

- 5) "The panel believes that negotiation must proceed with full account of the strategic, offensive/defensive interrelationship, exploring both offensive and defensive arms limitations."
- 6) "Parties should consider as an interim goal a relatively small number of single warheads launchers, perhaps 2,000, as a suggestion, deployed as invulnerably as possible. . . ."
- 7) "We also advocate regional agreements involving nuclear free zones and their encouragement whenever possible."

Translated into English, the recommendations are a virtual surrender to the points demanded throughout the conference by proconsul Dobrynin. Besides continuing the fraud of disarmament negotiations in which the Soviets have been massively cheating since their inception, point no. 3 is a concise statement of meaninglessness. Point no. 4 is typical arms-control jargon, which allows for events like the downing of KAL 7 or the assassination of Major Nicholson in East Berlin without "disrupting" the overall arms negotiations.

The advocacy of regional nuclear free zones is another carte blanche to break up the defense of the West as indicated in the recent nuclear-free zone declared where the ANZUS pact once stood, in the south Pacific. Even the most dramatic Soviet moves, such as the offer to inspect radar sites and nuclear test sites, will only come on line after two years or more, or as Carter put it in his resolution, ". . .after you exhaust the standing consultative committee and diplomatic measures to resolve allegations of violations then to include on-site inspections if necessary." Since the Soviets have a goal of world hegemony by 1988, these apparently concrete agreements are a time-buying farce.

The conference sponsors

The Emory University Carter Center has been funded to the tune of \$25 million to create a "Camp David like atmosphere" to intervene in the decision-making processes of U.S. foreign relations.

The funding sources include many of the same elements who controlled Carter during his presidency. Among them are: Occidental Petroleum's Armand Hammer (a Soviet agent since 1922, according to U.S. intelligence records which surfaced in the first Reagan administration), the Samuel Bronfman Foundation (of the dope-linked Canadian Bronfman family of Seagrams), the De Menil Foundation (the De Menil family was implicated in the assassination of President John F. Kennedy through their involvement in Permindex, the organization named in the investigation of the murder by New Orleans District Attorney Jim Garrison), the Coca-Cola Corporation (one of the major shareholders in Jimmy Carter, having "discovered" him and helped push him to the presidency), and the Banque de Commerce et Crédit Internationale (some of whose key personnel were involved in the famous Billygate scandal exposing Carter administration ties to Libya).

EIR April 30, 1985 National 57

Inside the Pentagon by Tecumseh

On MAD, 'limited war,' and Vietnam

Another way of asking what lay behind America's failure in Vietnam, is: What is Danny Graham really?

Americans are currently under siege by waves of articles, historical reviews, and sociological analyses of the military and political disaster known as the Vietnam War. Amid the tripe, there have been several serious attempts by military specialists to take this matter out of the hands of the assorted "experts" loaned to the Washington Post by the strange National Defense University.

Unfortunately, there is a fundamental flaw in the military studies and the "popular" accounts alike: Their efforts to explain the American failure in Vietnam avoid the fact that the notion of "limited war," itself a corollary of the strategic doctrine of Mutually Assured Destruction (MAD), was the principle shaping the American conduct of the war. Since "limited" war is a contradiction in terms, America's failure in Vietnam was inevitable, indeed, willful.

There are very few things about Vietnam which are mysterious once this is understood. What must be grasped is the underlying strategic purpose of the MAD doctrine. Then, those who directed and sabotaged U.S. conduct in Vietnam are understood.

Another way of asking what was MAD really, is, what is Lt.-Gen. Daniel Graham really?

The case of Westmoreland v. CBS threw some light on this. Evidence produced during the trial convinced even hardened skeptics that there was a conspiracy on the part of then Colonel Graham and others to falsify field-intelligence data. During the trial itself, Graham lied outrageously to the

point of perjury, to divert attention from something.

According to persons on the scene in Vietnam, there is a big story behind a little lie contained in one of Graham's depositions. If cable traffic identifying Graham as a participant in MACV staff meetings in Saigon several months before he claims to have arrived are accurate: Graham lied about the date on which he arrived in Vietnam!

What is Graham's little lie designed to cover up? The answer was predictably avoided by both the CBS and Westmoreland legal teams.

Graham falsified his arrival date because he turned up in Saigon at the same time as Robert Komer and other members of a "team." This team took over intelligence analysis at MACV and proceeded to destroy it. From that point on, actual intelligence didn't matter; it was simply concocted in line with the policy pursued by McNamara, McGeorge Bundy, and the associated butchers who had planned the war and were now planning to lose it and pull out.

The curious position held by Komer, a civilian with more power in military matters than military officials, has no precedent. He was functioning as a "commissar," the personal representative of the President and McNamara. Graham was just one of his fakers.

But don't ask simply: "Who did these guys work for?" Ask also: "On behalf of what policy did they work?"

McNamara, Bundy, and his NSC replacement Kissinger, were impos-

ing colonial-style "cabinet" warfare (i.e., limited war) on the U.S. military, in order to test their own "New Yalta" deal for division of imperial spoils with the Russians, and ensure China a major role in the region ("China Card"). In the process, they were only too happy to demoralize and tear down the armed forces of the United States-and to proceed to wreck the U.S. economy in subsequent years ("post-industrial society"). The MAD doctrine was designed to justify destruction of U.S: military and economic strength, in line with New Yalta.

What these fellows were *not* doing was conducting a war to defeat an enemy.

Specifically, Komer, Graham, and other members of the team arrived in Vietnam in 1967 to blind military intelligence and set up the public relations job for American defeat back home. Graham and Komer locked in the incompetent "body count" evaluations—and ran roughshod over any officer who pointed out that enemy strength does not lie in mere numbers of soldiers.

The case of the botched evaluations leading into the Tet Offensive is the celebrated instance: One can judge the purpose of the Komer-Graham lying by the consequences: Whatever actual enemy losses were up to that point, Tet displayed to Americans back home that the "official" version of the war was a fraud. Public support for any type of military engagement collapsed.

Vietnam was not a war, but a cynical, bloody manipulation in the service of MAD. But then, one of the key players, Danny Graham, has built a "military" career on this. What is his "High Frontier" parody of the President's Strategic Defense Initiative today but a cynical manipulation in the service of MAD?

Kissinger Watch by M.T. Upharsin

The monkey trap, yet again?

On Monday morning, April 15, callers from different parts of the world were trying to reach Henry Kissinger on business. It was impossible to reach him: Dr. K himself was "on business"—at the White House. At 10 a.m., Kissinger showed up at President Reagan's office in the company of former National Security Adviser Zbigniew Brzezinski, former U.S. Defense Secretary James Schlesinger, and former U.S. Ambassador to the United Nations Jeane Kirkpatrick.

The White House officially said that discussions were about "Nicaragua and the President's plan for Central America." White House spokesman Larry Speakes announced that Kissinger was sending a letter of support for the Central America peace plan that the President had issued after meetings with Colombian President Betancur in Washington. Maudlin or not, Speakes asserted that by this means, Kissinger would "be there in spirit" at the cabinet meeting April 15 that would be discussing Central America.

Obviously, "something rotten" was happening in the nation's capital.

Following April 15, and on through the week, the President shifted his entire focus on the Central America question toward a confrontation with Congress over \$14 million in aid to the "Contras" of Nicaragua. Rhetoric over the "contras" and divisiveness on that issue suddenly replaced the earlier statesmanlike spirit that had brought the President into commitment to reinforcing the "Contadora Plan" for a regional solution to Central America's problems.

This shift in emphasis might have also created unnecessary problems in

relations between Washington and the Vatican, since the Vatican would be quite eager to back a strengthened, U.S.-backed Contadora initiative, but not necessarily the crusade around the \$14 million aid program.

As usual, certain of the "spoor" left behind by Dr. K might tell us more of the tale.

Pepsi and other intrigues

Over the weekend before the White House meeting, Dr. K made a stop in New York, to attend a meeting of the Council on Foreign Relations, to discuss, among other topics, Central America. His line there, as reflected in the most recent of his internationally syndicated columns, is that the United States must reach a "bipartisan" consensus for fighting brushfire wars in the wake of the Vietnam fiasco.

One of the participants in New York was the opportunist Carlos Andres Pérez, former Venezuelan President, also known as Carlos Andres Pepsi because of certain of the "citizens above suspicion" in a certain family in Venezuela that runs Pepsi's operations in Venezuela and which currently owns CAP.

Having sold his soul to the KGB wing of the Socialist International, CAP is among those creatures who would like to entrap the United States in a "monkey trap" in Central America. He has recently been quoted in the Soviet Communist Party daily *Pravda* pontificating on "U.S. imperialist" policies on international debt.

Similarly, from April 11 to 13, Henry was hobnobbing constantly with Soviet Ambassador to the United States Anatoli Dobrynin at an "arms control" conference at the Carter Center in Atlanta, Georgia.

One of the more enticing moments at this fest was when Dobrynin threw

out his "New Yalta" bait to Kissinger and the rest of the appeaser crowd. Dobrynin proposed that the United States and the Soviets could find areas of regional "crisis management." The two specific areas he named were Central America and the Middle East.

Dobrynin's offer sheds some light on a little-noticed speech Dr. K made on New York City on April 3, to an audience of 1,300 honoring *Holo*caust author Elie Wiesel.

Countering White House efforts to forward peace momentum in the Mideast, Kissinger stated that the chances of peace in the Middle East were "small" and that Israelis must "withstand pressure" to settle for an inadequate peace agreement.

Dr. K's invoking of his own family's experiences in the concentration camps is only further evidence of to what lengths he will go to pander. During the first week of May, Kissinger will be leading the U.S. Jewish delegation to ceremonies in Jerusalem commemorating the 40th anniversary of the victory over Nazism.

Aside from the hypocrisy involved in that position being awarded to a man whose policies have resulted in far more people being killed than Adolf Hitler ever dreamed of, this "Holocaust" opportunism has placed Fat Henry where he can manipulate the hue-and-cry over President Reagan's plan to visit the Bitburg military cemetery in West Germany in May.

The combined Soviet and Kissinger-Zionist Lobby drumbeat over Reagan's Bitburg visit has laid the basis for a potential crisis in U.S.-German relations and a further blow to the U.S. position in Europe. The usually pro-Kissinger Frankfurter Allgemeine Zeitung daily warned on April 15 that U.S. Jewish leaders were playing into Soviet hands in their protests against the Bitburg visit.

EIR April 30, 1985 National 59

Congressional Closeup by Kathleen Klenetsky

Senate group moves against the SDI

A bipartisan group of senators, led by John Chafee (R-R.I.), introduced legislation on April 16 that would cut the Reagan administration's \$3.7 billion funding request for the Strategic Defense Initiative (SDI) to \$1.86 billion—little more than what was allocated to the beam defense program in fiscal year 1985.

"This is legislation that will bring a realistic and fiscally responsible approach to the SDI," claimed Chafee in a statement published in the *Congressional Record*, in which he termed the administration's request for the program "outrageously expensive." "I feel that the SDI, as it is proposed, could threaten the ABM treaty within the next 10 years, and cost enormous sums of money," he said.

The statement also charged that "accelerating the SDI," as the administration wants to do, "will have a negative impact on the upcoming United States-Soviet space weapons negotiations" in Geneva.

Co-sponsors of S. 879 include the key leaders of the anti-SDI cabal on Capitol Hill, including Sens. Charles Mathias (R-Md.), Dale Bumpers (D-Ark.), and William Proxmire (D-Wisc.). The measure coheres fully with their strategy of eliminating those funds from the SDI budget specifically earmarked for prototype development.

In his Congressional Record statement, Chafee said that S. 897 "will reaffirm Congress's commitment to the antiballistic missile treaty—the principal accomplishment of strategic arms control to date" by holding "demonstration projects within the SDI to a 4% increase." This, Chafee averred,

would "avoid creating a dangerously unstable international situation in the near term."

Earlier in April, the Senate Armed Services Committee—considered the most pro-defense panel on the Hill—voted to cut the SDI budget by \$300 million.

Congress pushes IMF murder plan for Africa

"Painful economic adjustments have to be made in Africa, and if the IMF does it, we will not have to bear the burden of blame to put it bluntly, let them take the rap." So stated Dr. Carol Lancaster, Director of the African Studies Program at the Georgetown University School of Foreign Service to a congressional panel on April 18.

Lancaster's remarks came during hearings in the Subcommittee on International Development Institutions and Finance of the House Banking Committee on a bill to fund the IMF's sub-Saharan African facility.

Introduced by two New York Democrats, subcommittee chairman Stanley Lundine and Mathew McHugh, the bill (HR 1949) provides \$150 million per year for three years to the special IMF facility, which was created at the Fund's September 1984 meeting.

The bill alleges that the economic holocaust now afflicting sub-Saharan Africa is due to "mismanagement" by African governments, and claims that these nations are incapable of "absorbing" economic assistance for development projects or infrastructure.

Lancaster, who testified in favor of the bill, said the facility would lend money solely for "policy-based lending." "Policy lending" means money is lent not to build anything, or help develop agriculture, but only to repay debt and only if the country in question agrees to implement a package of genocidal measures drafted by the IMF.

The "policy changes" are simple and straightfoward, Dr. Lancaster explained to the panel: "You raise energy prices, you raise transportation prices to reflect the world market cost. You raise food prices, which means reducing the real income of your urban consumers. That's really the part which is the political problem. That means adjusting upwards food, fuel and transportation prices—which are usually fixed in these countries—so the new prices will reflect relative scarcities, rather than whatever social or political aims the government had intended."

Lancaster crowed that this "policy-based" lending does "not have the same problems as aid to a project, the building of a road, rural electrification, or a health facility. What you say to a government is, if you undertake the following measures, we will provide you with the following amount" of money.

Dr. Lancaster admitted that Africa is resisting these "adjustment policies," but termed that resistance futile. "The IMF has really become a major part of the African economies since the latter part of the '70s, when they started getting into trouble," she said. "And the IMF conditions have been rather difficult for the Africans to deal with. . . . It's not necessarily the IMF's fault. The system is not working in Africa. The Africans have been very critical of the IMF. I think it's a reaction in fact to being strongarmed, or being so dependent on the IMF for foreign exchange that they have to undertake policies which they wished they didn't."

60 National EIR April 30, 1985

Lundine recently introduced legislation authorizing the United States to subscribe to a capital increase for the World Bank and the International Finance Corporation.

Tip O'Neill 'impressed' by new Soviet leader

House Speaker Tip O'Neill (D-Mass.) spent the Easter congressional recess in the Soviet Union, where he and a group of other congressmen, including minority leader Robert Michel (R-Ill.), were courted assiduously by top Kremlin officials, from new Soviet leader Mikhail Gorbachov on down.

Gorbachov used the occasion to try out some typical Soviet propaganda on the delegation, telling them that the Soviet Union wants "very big reductions" in strategic and mediumrange weapons. "But these objectives can only be obtained," he said, "if the United States gives up provocative plans of spreading the arms race to outer space."

He also complained that Washington had rejected the Soviet offer of a moratorium on SS-20 deployment "with incomprehensible haste." After this, he said, "one finds it hard not to doubt U.S. sincerity in Geneva."

O'Neill later told reporters he was "tremendously impressed" by Gorbachov, whom he likened to a tough, sharp American lawyer.

The Speaker hardly needed any convincing from the Russians: O'-Neill has been one of the most outspoken opponents of American defense efforts, most recently leading the fight against funding for the MX missile.

O'Neill has not yet made any official statement on the trip, although he did meet with the President and Secretary of State Shultz to brief them. His office reports that he and other members of the delegation are now drafting a formal report on their mission, which is scheduled for release in several weeks.

In March, O'Neill hosted a delegation of Soviet leaders headed by Politburo member Vladimir Shcherbitskii.

New 'Jap-bashing' measures proposed

The orgy of "Jap-bashing" in which Congress has engaged for the past few months continues unabated. On April 16, Sen. Don Riegle (D-Mich.) introduced a bill to create a Department of International Trade and Industry as an executive department of the government for the explicit purpose of waging trade war against Japan and any other country with the temerity to develop its manufacturing or agricultural-exporting capabilities.

In motivating his bill (S. 923), Riegle declared that Japan "is taking unfair advantage of our market while continuing to keep out American exports. But the real danger," he warned, "is that Japan is setting a course that others are following. Korea, Taiwan, and other newly industrialized nations are adopting the Japanese model. These countries are embarking on single-minded nationalistic policies aimed at a continual increase in exports, primarily to the United States."

Schiller Institute asks Congress to buck IMF

Two California-based leaders of the Schiller Institute have called for a national constituency mobilization to ensure congressional action to withdraw U.S. support for the International Monetary Fund.

Ruth Stephenson of Los Angeles and Marion Hundley of Yorbalinda told a press conference in Huntington, W. Va. on April 18 that the Congress will take action against the Fund, if voters demand that the nation end its support for the genocidal "conditionalities" policies imposed by the IMF.

Ms. Stephenson reported on the anti-IMF sentiments recently expressed by Republican Congressman Robert Dornan of California's 38th C.D., against whom she ran for Congress in 1984, and GOPer William Dannemeyer of the state's 39th C.D. Stephenson and Hundley met with both congressmen during a Schiller Institute-sponsored day of lobbying against the IMF on Capitol Hill.

"We have informed Representatives Dornan and Dannemeyer of the starvation, mass misery, and epidemic disease sweeping across African and the rest of the developing sector due to IMF austerity polices," Ms. Stephenson said. "They have been informed that the IMF is carrying out a program of genocide 100 times worse than Hitler, and that the Fund intends to impose the same austerity restraints upon the United States which it now enforces upon the underdeveloped nations."

"Now, these elected officials, and the elected officials from other states, must hear a clear message of support from their constituents on this issue. Americans must barrage Congress with an outcry for an end of U.S. support for the IMF." The spokesman revealed that they had been supplied with a list of approximately 40 members of Congress who would back an anti-IMF resolution if they received sufficient popular support.

National News

Iowa farmers mobilize to block land-grab

A fight is on in the Iowa state legislature to repeal a bill passed April 6 that would open the door for foreign takeovers of farmland in the state. The measure, House File No. 705, was introduced as a rider to another farm bill in the Iowa House of Representatives, and initially passed the House 80-13.

When some local farm activists became aware of the rider, they mobilized to block it, eventually getting 40 votes in the House to reconsider the approving vote—not enough to call it to the floor, but enough fuss was made to keep the bill bottled up in the Senate committee.

The rider was offered by Democratic Rep. Blanshen, but was masterminded by members of the Iowa Bankers' Association, particularly the Hawkeye Bancorporation of Des Moines. According to one source, Hawkeye is a major bank holding only 10% of its assets in the state—the legal limit.

Alabama Senate passes anti-IMF resolution

On April 11, an unusual coalition of state senators in Alabama united to pass an emergency resolution to memorialize the U.S. Congress and President of the United States to take immediate action to end starvation in Africa. The resolution was jointly introduced by State Senators Goodwin and Sanders—leaders of factions said to be "always at odds" in the legislature—following discussions with Rev. Houston Anderson on behalf of the Schiller Institute.

Alabama's Senate Resolution No. 168 not only calls for immediate food relief for Africa, but poses concrete solutions for ending the U.S. depression and worldwide subservience to the International Monetary Fund. The resolution, which was initiated by the Schiller Institute as part of a worldwide mobilization for the inalienable rights of man, was passed in time to be read April 13 at demonstrations held internationally to call for the abolition of the International

Monetary Fund.

Alabama Governor George Wallace sent his own greetings to Schiller Institute founder Helga Zepp-LaRouche "and followers" for the rally held by the Institute in Birmingham. "Please know how much I appreciate this opportunity to extend to you my most cordial greetings as you conduct your festivities in Birmingham, Alabama," Governor Wallace wrote.

"Also allow me to take this opportunity to welcome each of you and offer you my best wishes and congratulations on the good work that you do," he wrote. "It's my hope and prayer that your Birmingham project will be a success and that good will continue to bless you in your future endeavors."

Alabama's State Senate resolution also calls for federalizing the Federal Reserve and initiating international action to "end the International Monetary Fund system" through a new development-based international monetary program.

Religious insurgency backed by State Dept.

President Reagan and Secretary of State George Shultz both addressed a State Department-sponsored conference April 15-16, "The International Conference on Religious Liberty." The organizers of the conference ostensibly intended to focus on coordinating support for religious liberty in the East Bloc, but in fact they are fomenting irrationalist-fundamentalist religious insurgencies against nation-states throughout the world.

The conference, attended by over 200 clerics from around the world, was co-sponsored by the Institute for Religion and Democracy, the American Jewish Committee, the National Association of Evangelicals, the Anti-Defamation League, and the Jaques Maritain Center at Notre Dame University.

Even while some conference attendees identified the "total interface between the leadership of the Soviet Politburo and the Russian Orthodox Church," noting the links between religious insurgency and Soviet strategic objectives, Shultzspoke of the great promise contained in the "surprising rise of something as supposedly irrational as reli-

gious faith... which denies that reason and science hold all the answers" as a dominant force in the world in the latter decades of the 20th century.

Meese hits back at Buckley's pro-dope call

Attorney General Edwin Meese refuted William Buckley's recent syndicated column claiming that the only solution to illegal drugs is to legalize them. Asked about Buckley's statement at an April 4 press conference, Meese replied:

"There is no doubt in my mind that if you legalize narcotic use, you would have a considerable increase in use, particularly by young people. . . . There has been no country where legalization of drugs has worked, and it has been tried in this country early in this century and it didn't work then. . . . I think this is probably the worst time in history to think about legalizing narcotics, because for the first time in the last 25 years, we are now starting to show a decrease in narcotics use among young people."

AIDS vaccine sought for general population

Vaccination of the entire American population may be necessary in the future to stop the relentless spread of deadly AIDS infections, Dr. James W. Curran, head of the AIDS Task Force at the national Center for Disease Control, said in Atlanta on April 16 at a conference on the disease.

Scientists are assuming that an effective vaccine against AIDS will be developed by 1990, Curran said. Health officials "initially would vaccinate all Americans," Curran said. Such a vaccination program "would result in a rapid reduction of infection."

The number of AIDS cases is increasing rapidly in this country "and will double by 1986 from the present 9,405 to between 18,000-19,000." He also said hundreds of thousands of Americans have been exposed to the disease. "My own guess is that 300,000 to one million Americans have been infected

by the [AIDS] virus," Curran said.

Presenting a paper at the conference, Dr. Redfield of the Walter Reed Institute of Research in Washington, D.C. said that AIDS is "a general disease now. Get rid of the 'high risk' group. Anyone can get it."

Depressed Flint gets gentrification

"Philanthropist" James Rouse will use his real estate boondoggle, Baltimore's Harbor Place, as a model for the gentrification of Flint, Mich. Construction on a \$23.4 million retail complex called Water Street Pavilion, will begin June 27 in Flint's bombedout downtown section.

The project is expected to create 450 jobs in a city with 36,000 unemployed. Jobs will be in retail outlets selling "upscale women's apparel," running shoes, stuffed animals, fine gold and silver jewelry, and "serious and whimsical hats."

The city of Flint put up \$6.9 million, and the Mott Foundation, which also bankrolled the unsuccessful Auto World entertainment park in Flint, put in \$6 million, in addition to a federal UDAG grant. For its part, a revamped Auto World is scheduled to reopen next month.

ACLU to defend Texas pederast

The American Civil Liberties Union (ACLU) will defend David Sonnenschein of Austin, Texas, a former school clerk charged with promoting pederasty. The ACLU claims that the author of *How to Have Sex With Kids* was engaged in "legitimate research in sexuality" and is "a man with credentials."

Other books authored by Sonnenschein include What is Pedophilia Anyway? Women "Pedophiles," and Children and Sadomasochism. He has been cited as "next in line" to take over leadership of The Child Sexuality Circle, a San Diego, Calif., group that advocates sex between adults and children. He is associate editor of the group's bi-monthly newsletter.

Algerian president meets with Reagan

The Reagan administration received Algeria's President Chadli Benjedid with full honors during his visit to the United States the week of April 15. Benjedid was treated to a military honor guard, a meeting with President Reagan, and a black-tie dinner.

A senior administration official said: "There are no major outstanding bilateral problems between our two countries. On the contrary, the relationship is warm and mutually advantageous." The United States will be cautious in arms sales because of Algeria's relationship to Morocco, but is also looking to an Algerian role in mediating the Iran-Iraq war.

Bilateral relations between the United States and Algeria will be formalized through a joint economic commission and cultural exchange agreement. During his stay, Benjedid will meet with Vice-President Bush, Secretary of State Shultz, Defense Secretary Weinberger, Commerce Secretary Baldrige, Energy Secretary Herrington, and Agriculture Secretary Block.

Benjedid is particularly interested in aid in agriculture and high-technology and on April 19 began a tour of the Imperial Valley and "Silicon Valley," to visit farms, irrigation projects, and high-technology industries.

First fusion-SDI conference held

"Fusion and the SDI" was the title of a conference held April 18 at the University of Rochester, co-sponsored by the Strategic Defense Initiative Office and Fusion Power Associates. This marked the first joint conference of the fusion energy community and people working for the U.S. Strategic Defense Initiative.

Louis Marquet, head of the directed-energy division of the SDI, emphasized to the group that "the SDI is *not* directed at defense of hardened silos, but at total defense. Protecting silos would be MAD."

Briefly

- PRESIDENT REAGAN had planned to invite the Soviets to participate in a joint space mission and would have done so in March, says Aviation Week and Space Technology. Reagan changed his mind after Major Nicholson was murdered by the Soviets in East Germany.
- THE ATLANTA child murders was the subject of a forum sponsored by EIR in Atlanta April 23, featuring EIR counterintelligence expert Ira Liebowitz and Roy Innis, national director of Congress on Racial Equality (CORE).
- INFANT MORTALITY in Detroit rose by 11% from 1983 to 1984. Detroit now has the highest death rate among American cities with populations of over half a million.
- A BIO-ETHICS conference cosponsored by the University of California at Loma Linda and the Hastings Center the weekend of April 20-21 featured such topics as "The Value of Human Life"; "Making Life Human as Opposed to Reverence for Life"; "Perception of Death"; "Ethical Challenges."
- GOV. LAMM of Colorado was the keynote speaker at a conference of the "Global Tomorrow Coalition" held in Portland, Ore. April 17-21. The coalition is the organizing arm of "Global 2000," the policy group that wants to cut world population by half. Conference planners play up their "Globescope Action Plan" as comparable to the Declaration of Independence and U.S. Constitution. Sen. Claiborne Pell (D-R.I.), from California state official Huey Johnson, and former Audubon Society director Russell Peterson all addressed the meeting.
- THREE OHIO Democratic Party bigwigs have been forced to resign in Toledo, in the aftermath of the ESM Government Securities scam. City Manager David Boston and two leading city financial officials were responsible for funneling city funds into ESM in Ft. Lauderdale, Fla.

EIR April 30, 1985 National 63

Editorial

Saving lives

In Washington, D.C. the International Monetary Fund Interim Committee went ahead on April 19 and did exactly what we warned it would do: It formally declared for the first time that advanced sector countries, including by implication the United States, must submit to IMF surveillance. An official comuniqué announced that the Interim Committee "urged that steps be taken to strengthen surveillance over the policies of all Fund members." The communiqué hailed recent U.S. government deficit-reduction efforts, but demanded that further cuts are necessary. Finally, it stated that so-called "adjustment policies" forced on the debtor countries must be continued.

This week's cover story offers a glimpse into horrifying reality of what is already occurring as the direct, calculated result of those "adjustment policies."

Representatives from six leading medical institutions have told *EIR* that Third World diseases such as cholera and meningitis are running out of control, and probably at levels five times worse than are being reported. The holocaust killing Africa is being repeated in Ibero-America, while the "authorities" are doing everything possible to cover up the dimensions of the disaster.

The ecological holocaust may be far worse than the catastrophe most people fear—thermonuclear war. Yet, just as it is within the means of human science to master a new defense that will make nuclear weapons impotent and obsolete, we have at our disposal the means to reverse the ecological holocaust—provided we remove the ideological blinders of the "free market" and take these steps to stop the catastrophe.

First, to stem the cholera epidemic now spreading through Africa, we must deploy the necessary resources for oral rehydration therapy, and other necessary medical supplies such as intravenous fluids, as quickly as possible to the areas known to be affected by cholera. At the same time, we must quickly dispatch survey teams to determine the full extent and severity of the problem.

Having done this, acute treatment resources and

personnel should be sent where needed by military transport, and medical evacuation facilities established for serious cases. Tetracycline, a widely available, inexpensive, and highly effective antibiotic, would be given to active cases to shorten the course and communicability of the disease.

The next immediate consideration is the provision of safe drinking water. A number of inexpensive and highly effective portable water-purification systems are now available, and production of these could be rapidly scaled up.

In the meantime, military field sanitation equipment would be used. Concurrent with this, portable water-testing laboratories would be used to identify sources of safe and contaminated water, and vaccination of the populations at risk would be carried out. Adequate latrine facilities would be built, and necessary tent shelter provided.

With the foregoing measures underway, Army Corps of Engineers surveys would have to be conducted to plan out a crash program of building transportation, irrigation and sanitary infrastructure in the context of major water-management projects. Such a program would not only break the pattern of famine and disease in Africa, but, in combination with proper economic policy, would revitalize our agriculture and capital-goods-production sectors and enable us to reverse the present devastation of the population of the so-called advanced sector countries.

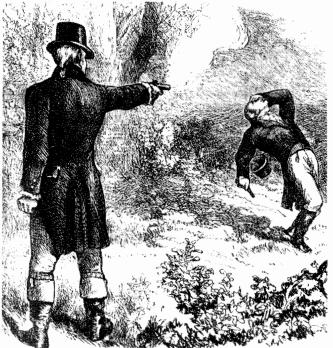
With the technological spinoffs from the Strategic Defense Initiatives flowing into the civilian economy, the potential for revolutionizing medicine and agricultural production to raise the entire world's living standards to that of the advanced sector also exists.

Some moral imbeciles may ask if, under current depression conditions, such programs can be afforded. We can and must afford to save the millions of lives immediately threatened, just as we must spend the money to build the SDI at a moment when the Soviet drive for world domination is more evident than ever. The only thing we cannot afford is the IMF.

Executive Intelligence Review

U.S., Canada and Mexico only	Foreign Rates Central America, West Indies, Venezuela and Colombia:
3 months\$125 .	3 mo. \$135, 6 mo. \$245, 1 yr. \$450
6 months\$225	Western Europe, South America, Mediterranean, and North
1 year\$396	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	
Name	
CompanyPhone()
Address	
CityState	Zip
Make checks payable to <i>EIR/Campaigner Publications</i> and mail to <i>EIR</i> mation call (212) 247-8820. In Europe: <i>EIR</i> Nachrichtenagentur Gmb Republic of Germany, telephone (1612) 44-90-31. Executive Director: N	bH, Postfach 2308, Dotzheimerstrasse 164, 62 Wiesbaden, Federal

Do Your Books Come from the Treason School of American History?



Aaron Burr's murder of Alexander Hamilton was part of a plot by British and Swiss intelligence services to destroy the young American republic. Yet "liberal" and "conservative" history books alike praise the traitor to the skies.

We have the real story!

The American History Series—Special Offer—all four books for \$19.95, postpaid

- How to Defeat Liberalism and William F. Buckley, by Lyndon H. LaRouche, Jr.—\$3.95
 - Fifty Years A Democrat: The Autobiography of Hulan E. Jack—\$4.95
- Treason in America: From Aaron Burr to Averell Harriman, by Anton Chaitkin— \$5.05
- The Civil War and the American System, by Allen Salisbury—\$5.95

Order from:

The New Benjamin Franklin House Publishing Company, Inc. 304 West 58th Street, 5th floor New York, N.Y. 10019 (212) 247-7484

The four-book set comes postpaid. If ordering books individually, add \$1.50 postage and handling for the first book, \$.50 for each additional book.