

EIR

Executive Intelligence Review

July 19, 1985 • Vol. 12 No. 28

\$10.00

Conquering space: the issue of scientific method
PAN steps up violence after electoral debacle
The American farm equipment industry is dying

**Will the U.S.A. counter
Moscow's undeclared war?**



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The Recovery That Never Was

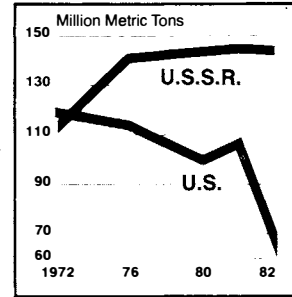
Find out what the White House should know . . . but doesn't

The *EIR Quarterly Economic Report*, prepared under the personal direction of Lyndon H. LaRouche, Jr., presents a devastating picture of the current economic crisis—a crisis with profound implications for the national security, as Moscow is only too well aware. The study demonstrates:

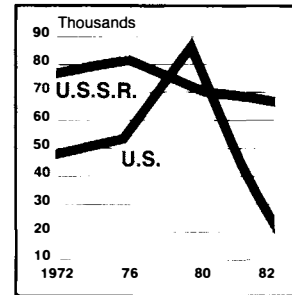
- Unless President Reagan replaces his present, foreign and domestic, monetary and economic policies, the U.S. economy will continue to describe an accelerating downward trend in output of goods and in balance of trade.
- The potential for a 1931-32-style deflationary blow-out or new skyrocketing of dollar exchange-rates, is approaching certainty. Either alternative would be associated with an acceleration of the rate of collapse of goods-output in both the world market and the U.S. economy; under either alternative, the federal budget deficit would soar.

For information about the *Quarterly Report* and a new feature, *EIR's 1985 statistical yearbook*, please contact your local *EIR* representative or Richard Freeman, *EIR News Service*, P.O. Box 17390, Washington, D.C. 20041-0390.

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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, Federal Republic of Germany
Tel: (06121) 44-90-31. Executive Directors: Anno Hellenbroich, Michael Liebig

In Mexico: EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

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

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

EIR

From the Editor

It is almost as if, when George Shultz left town on his two-week tour of Asia, Ronald Reagan felt it safe to come out of the White House and tell the American people what is really going on. The acts of terrorism pivoted around the TWA 847 hijacking constitute "acts of war" against the United States by foreign states, all clients of the Soviet Union, the President told the American Bar Association on July 8.

The speech still reflected the power of Shultz's State Department and the hoaxes of the majority faction at the CIA: The President refrained from fingering Syria as the center of international terrorism that it is. The speech nonetheless constituted a shift of evaluation, toward the evaluation uniquely associated with *EIR* prior to the speech. President Reagan must now answer one question, and not with words: Is he prepared to direct the kinds of ruthless military action demanded by "a state of war" as he now acknowledges it to exist?

The State Department and many at the CIA are clearly *not* prepared for this. But, in time of war, one does not appease or otherwise negotiate with the enemy. One shoots at the fellow, and keeps shooting until the war is won. As this week's *Investigation* attests, that is what the situation demands, and more: In answer to the Soviet power behind the terrorist states, the President should declare a national defense emergency, place the Strategic Defense Initiative on a crash basis, and proceed rapidly to production of MX missiles in droves.

Congress won't like that, and neither will George Shultz and some of the boys in Langley, but then, such action by the President would be the perfect occasion for Secretary Shultz to submit his resignation, along with quite a few others in the faction of, not really "appeasers," but traitors (see *National*). As we also show, the Richard Burt case may call for not only a resignation, but an arrest.

With this issue, we continue our reportage of the Krafft Ehrlicke Memorial Conference of June 15 and 16, carrying the address of Uwe Parpart-Henke, on the classical scientific method required for the breakthroughs necessary for the Strategic Defense Initiative. Future issues will carry other speeches to that conference, in the course of which, everything essential to a crash-program approach to directed-energy strategic defense was addressed.

Vin Berg

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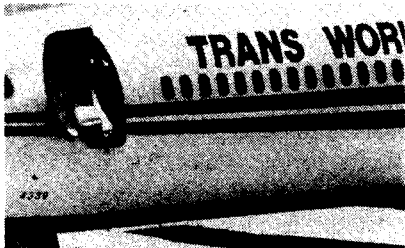
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On June 15 and 16, at a conference in Reston, Virginia in memory of the German-American space scientist Krafft A. Ehricke, scientists, engineers, military men, and political leaders discussed scientific breakthroughs in the beam defense program and the classical scientific method that led to those breakthroughs. Here we present the address of Uwe Parpart-Henke.

Investigation



Associated Press

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On July 8, President Reagan delivered a speech defining terrorism as "acts of war." Whether the United States will now act in the ruthless fashion appropriate to such a state of war is the greatest source of global maneuvering since the 1945 Yalta agreement.

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Recovery myth evaporates, as the dollar tumbles

by Christopher White

Donald Regan's "mighty dollar" has entered a new ratchet of accelerated downward descent on international markets. Since the onset of the present wave of banking collapses in the United States, triggered by the failure of Ohio's state-insured savings and loan system at the end of March, the dollar was reduced to, and then kept in a range of, just over 3.00 deutschemarks. Now the so-called 3.00 DM "psychological barrier" has been breached, and the "mighty dollar" is heading toward the next plateau in its descent toward the valuation which reality will dictate against the West German mark, about 1.50.

Different than in March, the dollar's new decline is paralleled by the accelerating decline of the international oil price, and with the beginnings of an escalated price war among the producers, over a shrinking market. Mexico's decision to lower its prices, after OPEC's failure to hold the line on pricing, is indicative.

Also, it is no longer the smaller, regional U.S. banks or thrift institutions which are threatened. The underpinnings of some among the largest of the American banks are beginning to shake. First Chicago, affected heavily by the recent failure of a Brazilian bank, is among those rumored among insiders, to be on the verge of big trouble. Those same insiders know that troubles at First Chicago are merely the tip of the proverbial iceberg.

It does not take much imagination to figure out that, Washington gossip notwithstanding, the world is approaching one the most cataclysmic financial upheavals of all time, and that the United States will be at the epicenter of the storm. The myth of the recovery has begun to evaporate.

Such reality was reflected on both sides of the Atlantic in language appropriate to the brain-damaged state of the so-called leadership of the business community.

At a *Financial Times* conference on "Oil Industry Development," James Adamson, a vice-president at David Rockefeller's Chase Manhattan Bank, reported that banking and oil refining were in similar parlous straits: "We have an over-supply of raw material [money] and an over-supply of manufacturing facilities [banks], in a low-demand economic environment caused partly by the high costs [interest rates] of raw material. The result in both the oil refining business and banking business is a prevalence of marginal pricing strategies resulting in inadequate shareholder returns, which eventually will lead to consolidations and bankruptcies."

Other participants reported that oil refining in the United States was in its "worst recession" for more than 50 years.

On the United States side, Gary Shilling, president of the Wall Street consulting firm of the same name, debunked the myth of the beneficial effects of a decline in the dollar to the same effect. Shilling summarized his argument thus: "The real world, then, is one in which U.S. productivity growth has not kept pace with that of our major trading partners, one in which excess supplies of men and machines will continue fierce international competition, and one in which the rest of the world is so dependent on exports to the U.S. that anything that improves our competitive position could wreak havoc on a global scale. This is not a world in which a decline in the dollar will deflate the trade-woes balloon—ours or anyone else's."

Such candor has not been heard for quite some time.

Indeed such views, especially those reported from Chase Manhattan, should be contrasted with the latest economic projection that Chase Econometrics sent to the U.S. Congress, shortly before that body left for the July 4th recess. The forecasting unit projects that Donald Regan's fraudulent recovery would continue, for up to the next five years. In this report, no doubt specially designed to be suitably stupefying to the addled heads up on the Hill, Chase Econometrics assumed that nothing would change.

In reality of course, nothing has changed. The collapse is proceeding perfectly normally under the governance of the policies of Volcker and Regan, which make the continuance of collapse inevitable, so long as they remain unchanged.

However, the changed language cited here in contrast to the double-talk of Chase Econometrics, shows that the psychedelic euphoria associated with the "recovery" swindle is beginning to evaporate out of the heads of those who have been among its staunchest supporters.

Where Adams of Chase adopts the perspective of a wave of banking collapses as axiomatic, Shilling has no alternative to propose to the "havoc" he decries. Such awakening to reality among so-called leading financial circles is only going to accelerate the unfolding of the catastrophe. From the adopted perspective of unfolding disaster, it is only a matter of time before those institutions begin to act on the basis of unfolding disaster.

LaRouche's warning

This course of events was projected by *EIR* contributing editor Lyndon LaRouche during the course of his 1984 election campaign. Addressing the nation in a televised broadcast on Labor Day, LaRouche warned that the eruption of the consequences of the Volcker-Regan policy, in the form of currency crisis, falling dollar, collapsing banks, could not be postponed beyond the end of the first quarter of 1985, if those policies were continued.

Compare what those who now speak up were saying, when LaRouche's projections were made nine months ago. Over the entire period, the policy associated with Paul Volcker's tenure as chairman of the Board of Governors of the Federal Reserve Board has been in effect, opposite to all other forecasting services, LaRouche has built up a unique record of accuracy. It is still not too late for the lessons of that record of accuracy to be learned, and acted on. But time is running out.

Chase's Adams is in part right. Sections of the banking system, under present circumstances, are doomed to failure. Chase, like Walter Wriston's Citibank, no doubt expects its own bankruptcy to be delayed by ripping off the assets of failed institutions as they go down. This is what Adams calls "consolidations," and what is also known as the "spread of interstate banking." Chase, and Citibank, are themselves in worse financial shape than the institutions whose assets they want to steal. And, stealing those assets will not change that situation. For it is the whole banking system which is bank-

rupt, not individual banks, or agglomerations of individual banks.

Adams's perspective would therefore lead, not to the consolidation of the banking system he envisions, but to the collapse of the dollar-based credit system, and its replacement with something else, either based on the reassertion of the constitutional powers of the U.S. Executive and Congress to control the nation's money supply and credit, or on some new financial arrangement, such as the expansion of the European Monetary System's ECU, which would be the credit vehicle of Soviet imperial rule. Under either arrangement, the present aura of political power that surrounds Chase and Citibank, would disappear quite rapidly.

In this case there is only one acceptable alternative, the assertion of Executive power, to protect the bankrupt banking system from the consequences of its own actions and policies, on grounds of national security emergency. Between that, and a new monetary system vehicle for Soviet world rule, there is no middle ground, on which any bankers or others can continue to delude themselves that they are profiting from continued overall global collapse.

Unlike Chase, Shilling is implicitly pleading, out of desperation, that Donald Regan's bloated over-valued dollar be propped up to maintain the flow of imports into the United States, and of course the exports of U.S. trading partners. But the consequences of maintaining the over-valued dollar are themselves as disastrous as the devaluation Shilling decries.

The over-valued dollar forces those who export to the United States to do so at levels below the cost of production of what they are exporting. They therefore must either inflate internally, or cut costs through increasing unemployment, or idling capacity. In either case, their capacity to sustain the level of exports reached, for example, in the case of Ibero-American nations, is reduced in proportion to the increase in such exports, and must decline exponentially as internal productive capacities are cannibalized to support exports at lower than the cost of production.

The over-valuation of the dollar thus increases the rate of growth of instability in the international credit system, just as the collapse of the dollar does. Consequently, neither alternative is any more acceptable than Chase's perspective of the inevitable collapse of sections of the banking system.

The dollar credit and banking system must be reorganized in such a way as to preserve the integrity of the nations which are part of that credit and banking system. Otherwise the Russians take the world, in the wake of the self-destruction of the West.

LaRouche knows how to accomplish such a reorganization, as he also reported on national television during the course of 1984, and as he recommends in a pamphlet issued recently by the patriotic political action committee, the National Democratic Policy Committee. Short of what LaRouche has proposed, nothing will stop the process that lunacy and incompetence are making increasingly unstoppable.

America's dying farm sector: the deficit in agricultural inputs

by George Elder

Today, United States agriculture is in a crisis worse than the Great Depression. We lack machinery to work the soil. We lack inputs to maintain it. We are in the process of losing the farmers who produce the food. Through a variety of financial swindles, including high interest rates and credit cutoffs at home, and the destruction of export markets through IMF conditionalities and the over-valued dollar, the most productive agricultural sector in the world is facing collapse this year.

Disaster has been in the process of creation for years, as we will document. Extraordinary measures are demanded to correct it, but these measures must be taken. What is currently at stake in agriculture is the question whether the United States will even be able to feed itself, let alone contribute the necessary skills, technology, and food to avert imminent famines around the world. If we do not meet this challenge with the appropriate action immediately, the United States as a nation is living on borrowed time.

The current wisdom about agriculture is that of David Stockman: The reason so many farmers are going out of business, it is claimed, is that they are poor managers, dependent on the public purse, and subsidized prices. The current "shake-out," Stockman's friends tell the President, will end shortly with the bankruptcy of these farmers that obviously deserve just what they are getting. When this process has ended, the problem of over-production will be solved, and everything will be all right.

This view of the current situation is just about as far from the truth as possible.

Land prices have plummeted by 50-75%, a rate of decline not seen since the 1930s.

The credit required to replace worn-out equipment and buy chemical inputs has dried up.

Farmers with loans are in such bad financial condition that as of January 1985, over 60% of all Federal Home Mortgage Administration (FHMA) farm-borrowers were in arrears.

The inputs required to maintain soil fertility for future crops have been cut to the point that farmers are now "mining" the soil.

Farmers are buying less farm machinery today than during the 1960s. For example, tractor sales have dropped from 270,687 (including industrial tractors) in 1966 to 117,734 in 1984.

Farmers are being driven off the land by the thousands

each month; 120,000 went out of business in the first three months of 1985.

Yet, the farmers are in less bad shape than the domestic producers of the capital goods which, combined with the ingenuity and production skills of the farmer, made American agriculture what it was.

Today, the United States produces fewer tractors than during the 1920s. But then, the horse supplied the main source of power for farmers to produce. The situation is so critical now, that without imports, American farmers would not only be unable to produce enough food for the needs of the nation as a whole, they could very well find themselves in a position where they could hardly produce enough food for themselves.

The credit crisis

The first major area to examine is the area of farm credit. On Friday, May 31, 1985, seven farm banks failed, setting a new record for the number of banks to fail in one day since the Great Depression. Yet, even if the banks, and other lending institutions, did have the money for the farmer to borrow, this still would not solve the credit problem. Most of the farmers have already borrowed most of their net worth to stay afloat. The farmers have exchanged equity for debt for several years.

The Farmers' Home Administration (FHA) has released statistics that should scare every sane person in the United States. (See **Table 1**) Of the 437,228 FHA borrowers, 272,005 were in arrears as of January 1985. What makes this number even more shocking is the fact that the number in arrears increased by 113,768 from June of 1984 to January of 1985. This increase of 113,768 is 26% of the total number of borrowers served by the FHA. The chart also shows the progressive deterioration of the farm sector. The numbers become even more alarming when one realizes that there are only 481,166 farmers listed as being full-time farmers in the 1982 *Census of Agriculture*. To further clarify the situation in your mind, delinquent accounts make up 62.2% of the total number of accounts.

As one result of the credit crunch, the use of lime as a soil nutrient, has dropped an astounding 26% over the three years from 1980 to 1983, and informed sources indicate that the statistics for 1984 will be even worse. (See **Table 2**) Another way of stating the deficit is that the intensity of use dropped

Table 1.

Delinquent FHA accounts

(thousands)

	6/77	6/78	6/79	6/80	6/81	6/82	6/83	6/84	1/85
Active	255.2	293.5	324.9	372.0	423.1	434.5	436.6	446.9	437.2
Delinquent	37.9	40.5	42.1	62.2	84.9	120.2	146.3	158.2	272.0
% delinquent	14.8	13.9	12.9	16.7	20.1	27.7	33.5	35.4	62.2

Even if the banks and other lending institutions did have the money for the farmers to borrow, this still would not solve the credit problem. Most of the farmers have already borrowed most of their net worth to stay afloat.

Table 2.

U.S. Fertilizer and lime usage

	Nitrogen N	Phosphate P ₂ O ₅	Potash K ₂ O	Lime
1960	2,738,000	2,582,400	2,153,300	22,613,599
1970	7,459,000	4,573,800	4,035,500	38,985,000
1975	8,600,800	4,506,800	4,453,200	31,319,779
1976	10,411,600	5,227,600	5,209,700	38,146,914
1977	10,647,400	5,629,700	5,833,800	31,381,047
1978	9,964,600	5,096,100	5,526,100	30,696,851
1979	10,714,700	5,605,800	6,244,500	30,979,219
1980	11,406,700	5,431,500	6,245,100	34,402,411
1981	11,922,800	5,434,400	6,319,500	29,646,628
1982	10,983,100	4,813,900	5,630,900	23,236,992
1983	9,127,000	4,137,500	4,831,000	25,506,896
1984	11,146,000	4,929,200	5,808,500	n/a

from 154 pounds per acre in 1974, to 121 pounds per acre in 1982, and 1974 was a relatively low year.

Lime, whose common use as a soil additive was introduced in this country by Benjamin Franklin, increases the productivity of the soil. Lime is always the first of the soil inputs to be cut out when times are bad, because each application affects the soil over a several-year period, and the effects of not using lime will not immediately be seen in the first crop. That is, if liming is omitted one year, it will have little effect on crop yields. However, once omitted, the efficiency level of fertilizer applications will decrease at an increasing rate, making the fertilizer ineffective. So, while a hard-strapped farmer will try to save money one year by skimping on lime additives, while continuing to use fertilizer, he is not just robbing Peter to pay Paul, he is robbing both. The American farmer has been mining, or stripping, the soil in this way since at least 1980.

One agronomist warns that the farmers in the United States are building a huge lime deficit which will have a major effect on the yields of several crops. The first crops to be affected will be the legumes, which include soybeans (one of the three top crops produced in the United States, and the highest in protein); alfalfa and clover (the main roughage crops necessary for dairy production); and peanuts, the main nut crop in the United States. The next likely crop to be affected by the lack of lime is corn, the number one feed crop for hogs, cattle, and poultry. Next, the wheat crop will be affected, and finally the shortage of lime will reduce the yields of practically any crop you can name.

An approximation of the current lime deficit can be cal-

culated by using the average amount applied during the 1975-80 period, 32.8 million tons, as the requirement. The average for the three years 1981-83 is 26.1 million tons, and if the 1984 applications were equal to this average, which is probably over-optimistic, the deficit accumulated so far is 29.7 million tons, more than the amount applied in any year since 1980. The price of the lime to replace this deficit is \$474.5 million, using a price of \$16.00 per ton.

Farm equipment not being produced

The equipment being used by farmers today, in all too many cases, resembles junk more than anything else. An in-depth examination of the equipment now used to grow food for the population of the United States, as well as a major portion of the population of the rest of the world, is obviously required. This is most easily understood in terms of farm tractors, and how they have been used.

No one will debate the fact that the farm tractor is essential to all modern-day agriculture. Therefore, the condition of the rolling-stock on farms is of the utmost importance, when trying to determine what the condition of agriculture is in the United States, and how this will affect the future food supplies of not only the United States, but also the rest of the world.

The use of tractors has enabled the American farmer to make the United States the most productive nation in terms of agriculture in the history of the world. Following World War II, the United States built tractors at an amazing rate, increasing the number of tractors by almost 100%, from 2,215,000 tractors in use on farms in 1944, to 4,243,000 in 1954. The continued increase in the number of tractors in use on farms slowed in absolute numbers, and topped out during the 1960s, at 4,787,000. (See **Table 3**)

The early units produced after World War II, were very small by today's standards. The tractors produced had 35 horsepower or less, and could only do a small portion of the work that tractors are capable of doing today. The technology introduced in the early 1950s changed the entire matrix in farming. This tremendous change in agriculture was made possible by the fantastic increase in machine-tools in the late 1940s and early 1950s. The accompanying charts and graphs on machine-tools help bring into focus the tremendous impact the new machine-tools had on the farm equipment industry.

The availability of these tools made possible the tremendous increase in the number of tractors produced. As the

Table 3.

U. S. tractor use and production

	Total in use (thousands)	U.S. produced	Exported	Imported	Retail sales	% import sales
1946	2,480					
1955	4,345	330,141*				
1965	4,787	244,050*	162,482			
1970	4,619	175,808	16,824	13,697	135,532	10
1975	4,463	211,316	45,515	22,862	150,540	15
1979**	4,990	159,973	27,381	10,001	138,990***	NA
1980	4,960	118,480	29,032	77,651	166,078	47
1981	4,925	118,209	29,566	74,357	151,635	49
1982	4,855	65,165	17,890	73,295	119,111	62
1983		45,966	12,333	104,06	116,933	89

* For years 1965 and prior, the number of tractors listed includes industrial units.

** In 1979 the Department of Agriculture Survey changed the manner in which statistics were gathered, therefore making substantial changes in the number of tractors in that year only.

*** In the years 1977 through 1979, the Farm and Industrial Equipment Institute did not report the number of tractors produced in the under 40 horsepower classification.

The large number of tractors produced in the 1950s made possible the upsurge in production that followed in the 1960s. This increase in production supplied farmers with additional capital, that in turn allowed the farmers to purchase the more powerful tractors of the 1960s, since the high point reached in the 1970s, the production of farm tractors has been in decline. The decline is not gradual as in the beginning, but is gaining momentum, affecting not only the number sold, but the type sold. This decline is not just serious; it is a disaster.

Table 4.

Farm tractor horsepower

	Less than 35	35-40	40-100	100-140	140+	Total 2-Wheel Drive	Over 40 2-Wheel Drive	4-Wheel Drive
1965	11,688	36,976	121,810	3,409	3,696	162,482	125,506	NA
1970	7,847	31,821	78,276	24,110	1,325	135,532	103,711	NA
1975	7,762	22,448	63,461	43,475	21,156	150,540	128,092	10,605
1979	NA*	65,000	40,932	21,603	127,535	127,535	11,455	
1980	46,742	58,121	31,610	18,718	155,191	108,447	10,887	
1981	47,800	50,973	27,522	15,657	141,952	94,152	9,683	
1982	41,967	41,134	18,711	10,536	112,348	70,381	6,763	
1983	45,596	38,082	14,503	13,651	111,832	66,236	5,101	
1984	51,010	38,253	9,843	14,653	113,795	62,749	3,975	

* In the years 1977 through 1979, the Farm and Industrial Equipment Institute did not report the number of tractors produced in the under 40 horsepower classification.

chart on tractor production shows, the number of tractors produced in 1955 was 330,141 compared to the 45,966 produced in 1983. The number produced in 1983 is less than 14% of the number produced in 1955. But, you will also readily note, the machine-tools used in the farm equipment industry have been declining in number, and quality, ever since 1953.

The large number of tractors produced in the 1950s made possible the upsurge in production that followed in the 1960s. This increase in production supplied farmers with additional capital, that in turn allowed the farmers to purchase the more powerful tractors of the 1960s. In every case cited so far, the higher level of technology led to higher production. The higher level of production had the effect of allowing the farmer to produce more food, at a lower price, with less work. To make the point crystal clear, please refer to **Table 4**, on tractor horsepower. Of the 157,431 farm tractors produced in 1964, only 3,409 had a horsepower rating of more than 100. By studying the chart, you will note that the number of tractors in the 100-plus category increased dramatically, from

3,409 in 1965, to 24,893 in 1969. At the same time, the small tractors, in the under-35 HP class, dropped almost 50%. What this demonstrates is the process whereby applying more HP to the land, more energy-intensive work, results in bringing about a major increase in production. Following this process out, the number of tractors in the under-40 HP category also fell dramatically during the same time span.

The next step in the process was the introduction of the four-wheel-drive tractor on a large scale. These tractors had ratings of over 200 HP, and some had ratings of 300 HP. The number of tractors produced in one year reached an intermediate high of 196,994 in 1973. Of this number, 150,291 of the two-wheel-drive engines were in the over-40 HP, range with an additional 6,460 of the even more powerful four-wheel-drive type.

This basic trend in agriculture continued with the reduction of the number of under-40 HP tractors, which led the Farm and Industrial Equipment Institute to eliminate reportage of the numbers sold. This type of tractor declined in sales to 15,909 in 1976.

Table 5.

The U.S. machine-tool stock

Age of metal-cutting machines (%)								
	1949	1953	1958	1963	1968	1973	1978	1983
0-10	50	50	28	27	22	25	28	32
10-20	25	27	46	47	39	35	28	28
20+	25	23	26	29	39	40	44	40
Total	50	50	72	76	78	75	72	68
over 10								
Age of metal-forming machines (%)								
0-10	36	42	28	19	20	25	31	20
10-20	28	21	43	43	35	38	28	33
20+	35	37	29	38	45	37	41	40
Total	63	58	72	81	80	75	67	73
Over 10								
Number of metal-cutting machines (units)								
0-10	24,227	35,557	12,692	10,754	7,341	10,861	10,118	8,224
10-20	12,050	18,517	20,851	18,719	12,550	15,205	10,108	7,196
20+	12,221	16,298	11,786	10,377	12,889	17,378	15,884	10,281
Over 10	24,271	34,815	32,637	29,096	25,439	32,583	25,992	17,477
Total	48,498	70,372	45,329	39,828	32,772	43,444	36,100	25,701
Number of metal-forming machines (units)								
0-10	3,865	7,182	3,265	2,388	2,577	3,918	4,464	2,923
10-20	3,025	3,676	5,014	5,405	4,438	5,956	4,032	3,445
20+	3,733	6,241	3,381	4,776	5,687	5,800	5,904	4,176
Over 10	6,755	9,917	8,395	10,181	10,125	11,756	9,936	7,621
Total	10,623	17,099	11,660	12,569	12,702	15,674	14,400	10,440

Not only has the total number of both metal-cutting and metal-forming machine-tools been reduced: The basic quality has also been reduced. In both 1949 and 1953, 50% of the machine-tools in use were less than 10 years old, whereas only 28% of the metal-cutting and 33% of the metal-forming tools in 1983 were less than 10 years old.

Since the intermediate high point reached in the 1970s, the production of farm tractors has been in decline (See Table 3). Unfortunately, the decline is not gradual like it was in the beginning. The process we have been tracing has been gaining momentum. In addition, the process not only affects the number of tractors sold, it also includes the type of tractor sold. This area of decline is not just serious, it is a disaster.

Instead of buying the larger tractors necessary, farmers are buying more and more small tractors. Table 4 shows the increase from 15,909 in 1976 to 51,010 in 1984. These numbers are alarming, but don't tell the whole story. The even bigger problem is that the percentages with respect to the composition of the tractors being sold is even more alarming. In 1976, 10% of the tractors sold were in the under-40-horsepower class, while in 1984, 43% were in the under-40 horsepower class.

When viewing this shift in the type of tractors bought by farmers, no one can possibly deny that there is a shift from the pattern that has produced abundance by applying more horsepower to the soil, to a pattern that is the reverse. When less horsepower is applied, less food can be grown. When farmers grow less food there is less food to eat. When such a process continues, starvation is the only end possible for the population.

To further complicate the situation, the equipment companies that build the farm machinery are in such disarray that they are not able to build the equipment required for even

subsistence farming. In an effort to survive, they have not only cut all the fat, they have cut bone. The equipment companies have reduced the machine-tools they need to make tractors to the point that, as of 1983, fewer machine-tools existed in both the metal-cutting and metal-forming categories than the industry had in 1949. Not only has the total number of both metal-cutting and metal-forming machines been reduced: The basic quality has also been reduced, as can be illustrated by the fact that in both 1949 and 1953, the *American Machine Tool Survey* shows that 50% of the machine-tools in use were less than 10 years old, whereas only 28% of the metal-cutting and 33% of the metal-forming tools in 1983 were less than 10 years old. Except for the temporary upsurge in 1973, during the beginning of the huge increase in agricultural output by American farmers that amazed the world, the trend in both quantity and quality has been down.

However, a closer review of the machine-tool section of the farm-equipment manufacturing companies is in order, since these tools are used to make every piece of equipment manufactured. Without machine-tools, the farm-equipment manufactures would not exist. The rest of the story is that the age of machine-tools is increasing. **Table 5** shows that since 1953 the percentage of tools over 10-years-of-age has increased. In the 1950s and the 1960s, when the surveys were made by the American Machine-Tool Association, machine-tools over 10-years-old were regarded with suspicion. The area that accounts for the high rise in age of the machine-

tools in the farm-equipment industry is the category over 20-years-of age. This area rose from 23% of the metal-cutting tools in 1953 to 40% in 1983. Although the percentage of metal-forming machines over 20-years-of-age has increased, from 35% in 1949 to 40% in 1983, this is not as bad as the results in metal-cutting machines. The metal-forming machines absorbed part of the aging process in the 10- to 20-year-age range, as this area increased from 28% in 1949 to 33% in 1983.

Please note that in 1978 (and the following years), the metal-cutting and metal-forming tools used in the manufacture of garden equipment were included for the first time. This causes a major distortion in the numbers and makes the machine-tool figures look much better than the true situation.

Any study of an industry requires at least some basic analysis of that industry's consumption. The farm-equipment industry is consuming steel at drastically reduced rates in 1983, compared to 1977. Carbon steel and alloy steel consumed 2,281,900 tons of steel in 1977, but fell 55% in 1983, to 1,248,100 tons of steel. The big losers in these categories were carbon steel plates and structural shapes which fell 54%, and alloy steel (except stainless) bars and shapes, which fell a whopping 65%. The use of castings has fallen by 32% in just five years as well. In addition, during 1983 the farm-equipment industry used 40% fewer iron and steel forgings than in 1977.

The number of diesel and semi-diesel engines used plummeted from 199,600 in 1977 to 94,500, a drop of 53%, while the use of the smaller engines managed a slight increase of 7,400.

The statistics just cited show that the industry, in a short five years, has collapsed in many areas more than 50%. In other areas the basic deterioration ranges from 35 to 45%. The statistics show the farm-equipment industry with a very short time left to exist.

The major shift in the engine category, from large diesel engines for farmers to small gasoline engines for "city-farmers," shows the process taking place in agriculture, degenerating from a very productive type of agriculture, to a small less productive form of agriculture.

A dying industry

The loss of the steel-cutting seen in reductions of carbon steel, alloy steel, castings, and iron and steel forgings. Contrary to the David Stockman school of economics, these figures do not just represent an industry that is in the process of "retrenching." The farm-equipment industry is dying. (See **Table 6**)

The number of companies manufacturing farm equipment in the United States has decreased to such a degree that only John Deere and International Harvester-Case remain as viable domestic enterprises, and the future of both companies is in jeopardy. It is very possible that these two companies may go out of business in the next several months. Although

Ford is also in the farm-equipment business, in this country, the company is involved primarily in assembly-line parts production, not in the full manufacture of farm equipment, and should therefore not be considered a domestic farm-equipment manufacturer.

During the last two quarters of 1984, International Harvester sold its Farm Equipment Division, in order to keep the entire company from going under. Harvester has been in the forefront of mechanized farming since it was founded by Cyrus McCormack, inventor of the mechanical reaper. Harvester's Farm Equipment Division was sold to Tenneco, the firm that had earlier purchased David Brown, a tractor manufacturer, before also buying up Case, a major manufacturer of tractors and other types of farm equipment.

The newly formed merged firm, Case/International, has cut the tractor lines formerly offered by both Harvester and Case. Case has ceased production of tractors under 100 HP, while International stopped the production of tractors over 100 HP. And, in the process, the merged firm has also forced a net decrease in the number of dealerships in the country, by forcing all the International dealerships to purchase the existing Case dealerships, where both an International dealership and a Case dealership were located in the same area, or to sell out to the Tenneco-merged firm at bargain prices.

John Deere is in a situation that is just as bad. At the present time, the company is about to drown in a flood of red ink. The situation is so severe that the firm has closed the four-wheel-drive tractor line for at least six months. In addition, John Deere's combine production suffers from the same symptoms as the tractor manufacturing portion of the company. As a result, the manufacturing of combines has been curtailed. This shut-down is no small matter, as John Deere is the largest farm-equipment manufacturer left in the United States. The current problems of this firm are so severe that the estimated loss of 25% of the John Deere dealerships during 1985 in the United States may very well prove to be too conservative.

Massey-Ferguson, presently a Canadian firm, is also in trouble. Massey-Ferguson used to manufacture equipment in the United States. Only a special financial bail-out arranged by the Canadian federal government managed to keep the company from going bankrupt. Not only does this company produce tractors, it also produces combines and other types of farm equipment. The firm is also an old one, and therefore a large amount of their equipment is in use on American farms.

Within the last two months, another large old equipment company bit the dust. White (Oliver) was informed that a \$200,000,000-plus line of credit was being rescinded, and that other arrangements would have to be made. White now has the following choices: either to find new financing (which doesn't exist); to sell the farm-equipment division (for which there isn't a market since the firm doesn't have a special piece of equipment that some other firm wants to market, nor does

Table 6.

How the farm-equipment industry consumed materials

	1983	1977
Mill shapes and forms, except castings and forgings: (thousand short tons)		
Carbon steel:		
Bars and bar shapes	327.0	560.1
Sheet and strip	519.2	968.6
Plates	115.1	249.5
Structural shapes	81.8	177.9
All other carbon steel mill shapes and forms	173.3	237.4
Alloy steel except stainless:		
Bars and bar shapes	30.7	56.3
Aluminum and aluminum-base alloy: (million pounds)		
Sheet, plate, and foil	3.8	9.9
All other mill and extruded shapes and forms (wire, rolled rod and bar, powder, welded tubing, etc.)	4.0	15.2
Pig iron, excluding silvery iron (thousand short tons)	20.0	31.3
Iron and steel scrap, excluding home scrap	65.4	166.1
Castings (rough and semifinished):		
Iron (gray and malleable)	288.2	421.2
Steel:	111.2	18.0
Iron and steel forgings:	59.0	99.0
Engines:		
Diesel and semi-diesel: (thousands)	94.5	199.6
Gasoline and other carburetor:	171.3	163.9
Electric motors and generators:		
Fractional horsepower electric motors	.5	226.6
Integral horsepower motors and generators (1 HP or more):	.6	205.1
Pneumatic tires and inner tubes	52.6	5,660.0
Semi-pneumatic tires	3.9	NA
Paints, varnishes, lacquers, shellacs, japans, enamels, and allied products (thousand gallons)	5,008.9	5,113.2

the firm have any other assets of special interest); to take their lumps and sell at a very low price; or just phase the farm-equipment division out. This firm has a total of 900 dealerships, 700 of them in the United States. The loss of this firm will be a major blow to its former farm customers.

Allis-Chalmers, another major farm-equipment manufacturer and distributor, also has had a terrible time. During the last two months, Allis-Chalmers has decided to dissolve the farm-equipment portion of the firm in the following manner: The tractor portion of the firm is to be terminated this year, with the closing of the tractor plant in Allis, Wisconsin, and the closing of the engine plant next year. The portion of the company which produced combines has been sold to Deutz of West Germany, under an agreement that will allow Allis-Chalmers to participate in any profits generated. Under the agreement, Deutz will have access to the dealer network of Allis-Chalmers, since Allis-Chalmers is basically going out of business. With the sale of their combine manufacturing to Deutz, Allis-Chalmers hopes to be able to ride out the bad

times and have the rest of the company survive.

One final statement needs to be made with respect to the farm-equipment business. Mr. Harold Sibley, president of the Farm and Industrial Equipment Institute, gave a talk last year, in which he reviewed the statistics, that show that farm income and purchasing power are concentrated in a small number of farms: 300,000. Mr. Sibley said: "Looking at those farms with purchasing power—300,000—and assuming that one dealer can service 60 such farmers, we arrive at a figure of 5,000 dealers that are needed. With 8,800 existing dealers, all fighting for that major farm market, we see that we have excess capacity of 3,800 dealers, or 43% for which there is questionable need."

At the present time, a major portion of food being produced by American farmers is being produced with very old equipment. The problem with using old equipment is that old equipment breaks down a lot. When the farmer's equipment breaks, the farmer has to fix the equipment to continue to grow food. If the farmer is not able to obtain repair parts, the piece of equipment is useless. Without equipment that is in good working order, the farmer can't grow food. When the companies that produce the equipment no longer exist, the repair parts necessary to keep the old equipment in running order will not be available. Therefore, if the United States is unable to continue to import tractors and spare parts for even a short time, the United States will collapse because as a nation it will be unable to feed its population.

In summary, what is the overall picture in American agriculture? At the present time, the United States is only able to produce enough cereals for the nation. There is not enough dairy and beef being produced. If the United States were to get serious about the problem and decide to produce food, the farmers would be unable to respond to a crash program without enormous amounts of new farm equipment. *EIR* calculates, based on the size and use of farms today, that the country needs at least half a million new tractors a year, over an 8-year period, to make up the current deficit. The farm-equipment manufacturers don't have the machine-tools to manufacture the equipment necessary to produce the food required to make the country self-sufficient in the area of food production. On top of that, at the rate the United States is losing farmers, very soon the country won't have the farmers needed to grow that food.

What can be done to avert this disaster? Only a new economic order based on the principles of the American System holds any hope for the future. Such a system will allow the farmer for the first time in decades to receive a complete return of all expenses, and a reasonable profit. If such a system is not instituted immediately, the depreciation on which the farmers are existing will run out. When that happens, it will be the end of the nation. We cannot return to the horse and buggy days of long ago. There aren't enough horses or buggies to go around. Agriculturally speaking, we have been borrowing from tomorrow to live today.

Club of Life deflates Thai 'Condom King'

by Gail G. Billington

Population control advocates beware. On July 4, the Club of Life humiliated Thailand's leading genocidalist, Mechai Viravaidhya, in a confrontation that was covered by press around the world. Rumor is that the international organization founded by Helga Zepp-LaRouche, will not be satisfied until Mechai's filthy business is shut down entirely, and his political ambitions—the Prime Minister's post—put to rest.

On July 4, Club of Life spokesmen in Bangkok intervened at a press conference which was to precede the vasectomy of Tek Kor, a well-known father of 22 children. Mechai had arranged the media event as the latest in a series of publicity stunts to win the Thai people over to his radical population control campaign. But, at the crucial moment, Tek Kor announced to reporters and fellow citizens, "There will be no operation."

According to Agence France Press (AFP), Tek Kor said he had been urged by several U.S. organizations not to go through with the operation because Mechai's sterilization program was "genocidal" and "treasonous." AFP reported, "Tek Kor displayed a letter signed by Linda Everett, Secretary of the Club of Life, warning that if he went through with his vasectomy he would be 'a tool for such genocidal programs that aim to destroy the very wealth of Thailand—her people."

"When Mechai calls for vasectomies on the Fourth of July," the Club of Life letter continued, "our National Day of Independence, on which our Forefathers won for us the freedom of life and progress, he knowingly spits in the face of this vision and the United States."

Who owns Mechai?

Mechai Viravaidhya, head of Thailand's largest nonprofit development organization, the Population and Community Development Authority of Thailand, and friend of Henry Kissinger, is Thailand's most outspoken genocide lobbyist. His Madison Avenue PR campaign to sell sterilization to the

Thai population has won him the nickname, the "Condom King." His gimmickry is so outrageous that his buttons, T-shirts, and other paraphernalia have been banned from U.N. premises.

Mechai's objectives are identical to his closest supporters in Thailand and abroad, the World Wildlife Fund, the World Population Council, and the Club of Rome, who intend to wipe out what they call "too many black, brown, and yellow children in the world."

Mechai's vasectomy festivals are treated humorously by the Western press, but his campaign for radical population control has already taken its toll on the growth potential of the nation of Thailand. In a January 1985 *Enterprise* article, Jonathan Hayssen, a staff member at Mechai's PDA, revealed that in the decade since Mechai began his family-planning business, Thailand's population growth rate has dropped by 50%, to 1.6% per annum.

Mechai gives most of the credit to the Thai government which, initially reluctant to allow non-medical personnel to dispense contraceptives, now supports a vast network of rural health workers, and accepts donations from U.S. and European corporations to sponsor population control programs.

According to Hayssen, Mechai has also been able to turn a pretty penny peddling his wares. Beginning in 1974 as a one-man family planning agency, Mechai's PDA now employs 600 workers and has an annual turnover exceeding \$10 million. Its expanding array of "public services" includes primary health care, agricultural production and marketing, water resources development, family planning, and assistance to Kampuchean refugees.

Mechai began in the mid-1960s as a government economic planner, but "sensing the unmet demand—and desperate need—for family planning services, especially in rural areas," says Hayssen, he joined the Planned Parenthood Association of Thailand, becoming its general secretary. With a seed grant from the International Planned Parenthood Federation, Mechai launched his Community Based Family Planning Services. Four years and several U.S. AID grants later, he was running a network covering one-third, or 16,000, of Thailand's rural villages. Today, Mechai's Bangkok headquarters oversees five branch offices, four clinics, and six rural development centers.

Tek Kor tells all

When not encouraging (or, it is charged, running) illegal abortion clinics with U.S. foreign aid, Mechai is out drumming up publicity for his vasectomy "festivals," held on the Thai King's birthday and American holidays like Labor Day and Mother's Day. Mechai chose the July 4 vasectomy of Tek Kor as a "way of thanking the U.S. for its assistance in population control," now at \$150,000 a year. Typically, he distributes free beer, hot dogs, and cokes, or railway passes, to destitute peasants, in exchange for vasectomies.

One of Mechai's operations is called the "non-pregnancy agricultural credit" program. Rural farm families get 50% lower interest rates if the wife does not become pregnant during the term of the loan. If the wife is sterilized, the amount borrowed can be doubled; if the husband has a vasectomy, it is quadrupled.

Mechai's televised vasectomy of Tek Kor was to be the biggest thing yet. For five years, he had hounded Tek Kor, knowing that having Thailand's "family planning enemy number one" submit to sterilization would help dispel fears that vasectomy results in impotence.

The Club of Life met with Tek Kor twice to explain Mechai's scheme to use him and his vasectomy to insult the United States. In fact, in a fit of rage at a change in U.S. policy in funding population control, Mechai offered to vasectomize President Reagan! In days, the Club of Life mobilized letters and telegrams to Tek Kor from New Hampshire Voters For Life, Catholics Concerned For Life, a U.S. pro-life medical association, and other pro-life groups, including one in Portugal.

In a taped interview with the Club of Life, Tek Kor revealed that for several years he had refused Mechai's larger and larger bribes, and that then, an operation was launched to bring Tek Kor to financial ruin. After his family was interviewed and photographed by *Koo Sang Koo Som*, a Thai newspaper, its owner, Damrong Pudtan, "turned around and published an unthinkable article against me, plunging me into financial collapse," Tek Kor reported.

Mechai appeared, offering "to set up a fund for each of my 22 kids, a deposit that they could not access until they reached majority age, that would earn interest. The interest could be withdrawn, but not the principal. He also promised that each of the 22 kids would have a chance to study abroad anywhere in the world."

Continued Tak Kor: "That was just the beginning. I could not borrow from anyone, I was squeezed, old creditors demanded payments. . . . I almost went crazy. Then Mechai made this offer of 1 million baht [almost \$40,000]. . . .

... I am not in favor of vasectomies, and never have been, not even now. But I must go through with the vasectomy to save my family . . . so that my children can be happy. I had to accept the conditions in order to stay alive. . . . I am forced into it, really forced into it. . . . They came over here the other day. Mechai said that the key condition is that this financial arrangement must not become news. If it gets out to the press, he would be finished. He would lose face. . . ."

On July 4, the Club of Life, in a room overflowing with international press, asked Mechai if indeed he had promised one million baht to Tek Kor. Mechai took Tek Kor aside. After an hour, Tek Kor announced: "There will be no operation. They promised me a million baht if I agreed to have the operation. They broke their promise and I refused the operation."

Mechai later told reporters (a) he never made the offer, and (b) he made it, but "in jest."

The Tek Kor incident reveals that behind the hot dogs and beer, Mechai will go to any lengths to meet his genocidal objectives. At a June 5 event in Bangkok, sponsored by the Foreign Correspondents Club of Thailand, Mechai let down his defenses, making known that he not only endorses China's "one child only" and forced abortion program, but that he, personally, advised the Peking government. The FCCT event featured a Chinese propaganda film on the subject, showing in graphic detail the extensive, top-down, layered policing apparatus enforcing the policy. Key are the "granny police," old women in the communes who serve as an effective informant network among China's rural population.

Mechai told his audience, "We must look at this in the total perspective. Part of the film may have made you feel strange in the stomach. . . . But I'd like to suggest perhaps that what you have seen here, no matter how horrible you may have felt, just may appear very weak compared to what may happen 30 to 50 years from now! . . . They aren't happy to go about things this way, but if there's no other way of doing it. . . ."

During the discussion period, Luce Scholar and Club of Life supporter Andrew Delaney took up Mechai's challenge to propose alternatives to the China model. Delaney suggested: "Thailand could emphasize high-profile development, getting more scientists in production and industry," pointing to South Korea, where a greater number of scientists in agriculture had resulted in four times more per-hectare rice yield than Thailand.

In the reception that followed, Mechai said to Delaney: "So, come, let's talk. You are the biggest asshole I ever met in my life."

Delaney: "It's comforting to know that the feeling is mutual since I have never encountered a more supercilious clown than yourself. That doesn't speak to the substance of your policies, which I find to be even more objectionable than yourself."

Mechai: "The sooner you are out of Thailand the better it will be for this country."

Delaney: "I didn't know that one of your other talents was bullying foreign visitors. . . ."

Mechai: "I understand that you are a Luce Scholar. This is like the Rhodes Scholarship for Asia. . . . The committee must have been asleep when they picked you."

Delaney: "A typically arrogant comment since you are scarcely in a position to judge my qualifications. . . ."

Mechai: "I am going to write a letter to the Luce Foundation complaining about you and will run you out of this town."

The challenge has been issued. After the public humiliation of Mechai at the Tek Kor press conference, the question is only: Who will be packing his bags?

ILO now a front for IMF—and Soviets

By Rainer Apel

On July 15-17, the Schiller Institute Labor Commission convened a conference in Mexico City of trade union leaders from countries throughout the Western hemisphere, to map strategies for stopping the economic holocaust. At its Geneva meeting in June, the International Labor Organization became the forum for joint operations by the Soviets and the Kissinger crowd against the Mexico City meeting.

In the face of a massive assault by the International Monetary Fund (IMF) and the banking world against workers' living standards in all countries, the ILO has not only failed to come out in labor's defense, but the ILO leadership has even signed a pact with the IMF against labor. The June ILO conference in Geneva passed a "Resolution concerning the Most Urgent Problems of Africa," which contained the scandalous passage:

"In recent years, international financial institutions have proposed a number of adjustments and stabilization policies to African countries which are essential for the recovery of their economies."

The resolution did not admit that the IMF causes starvation, and deliberately so, but it did at least admit that IMF conditionalities "might also have undesirable social and political consequences." But therefore, it was resolved: "The role of the ILO in this context is to collaborate with the IMF in finding the most appropriate short and long-term policy measures which on the one hand redress the economies of the African countries concerned, and on the other hand avoid measures being introduced whose burden falls heavily on the poor . . . who are unable to absorb any further reduction in their standard of living if they are to survive."

Much of the labor union work in Africa, which has to proceed in an extremely repressive environment, depends on the ILO's support funds. That is the ILO's leverage. The resolution clearly means that the ILO will tell labor organizers in Africa to abstain from protest actions against the IMF's "adjustment" policies.

African participants in Geneva admitted: "The IMF is looting our nations, it is a colonialist institution," as a government representative from Swaziland put it. "Everything we earn, the banks carry out of our countries." The anti-IMF resolution of ORIT, the Ibero-American labor congress, which

was made available by *EIR* representatives to many delegates, met high interest. A labor union leader from Zimbabwe commented: "We should stop paying the debts, but the industrialized nations go with the IMF and the banks."

But Irving Brown of the AFL-CIO, who helped to build the ILO after the last world war, and Lane Kirkland, the president of the AFL-CIO, played a key role in demoralizing the anti-IMF ferment among the delegates. They prevented a thorough debate on the debt situation in Africa, and also in Ibero-America. On the other hand, they left ample opportunities to the Cubans and Nicaraguans, who had sent sizable delegations to Geneva, to rally support for Fidel Castro's fake front against the IMF among delegates. Asked by *EIR* what he thought of the Cuban organizing, Kirkland said he was unconcerned: "There is no discussion on debts. There is no such discussion here."

Kirkland's statement reflected the deal which his AFL-CIO had made on June 25 with the Soviets, according to which the Cubans would receive even more seats on the ILO's more important committees.

When a representative of the independent labor movement of Nicaragua reported to the ILO on violent attacks and political repression of non-governmental organizations like the COSEP by the Managua junta's shock troops, the infamous "turbistas," ILO officials intervened in the debate and postponed it to a later date. Representatives of the Soviets and their client-states naturally approved.

Cuban organizing in Geneva paid off. Immediately after the close of the conference on June 27, Cuban, leftist, and communist labor representatives from 12 Ibero-American countries met in Madrid to prepare Castro's "anti-IMF" summit of July 15 in Havana. These were the CUT representatives of Brazil, Chile, and the Dominican Republic, the CSTC of Colombia, the CST and ATC of Nicaragua, the Cuban CTC, the CGTP and Luz y Fuerza of Peru, the P-CNY of Uruguay, and the Comisiones Obreras of Spain. The CTM of Mexico sent an observer. The meeting in Madrid, which had been prepared in Geneva, obviously had the backing of Kirkland's and Brown's AFL-CIO.

Kirkland and Brown have not been as tolerant toward the organizing of the Schiller Institute's Labor Commission for an Ibero-American debtors' cartel. Commission members have come under immense pressure from the labor attachés at U.S. embassies in Ibero-America, acting on orders from Kirkland's AFL-CIO headquarters in Washington. One labor representative in Geneva called this illegal meddling, "Kirkland's revenge for the Schiller Institute's labor lobbying in Washington."

"The Soviet influence at the ILO is immense," said one of the delegates, "because when the Americans left the ILO for some time, the Soviets practically took over the organization. When the U.S.A. came back, they entered as just a minority partner, nothing else."

These facts are also known to Brown and Kirkland. Why do they work with the Soviets, then?

'Let them eat dirt'

The administration and congress are arriving at a farm package that will mean a massive reduction in food output.

The month of July's flurry of last-minute voting by congressional committees on the new 1985 farm bill is a signal of a cold coup: U.S. agriculture policy is now completely in the hands of the European-based feudalist cartels. This oligarchy's advice to the nation makes Marie Antoinette seem a republican. They say, "Let them eat dirt."

The Senate, House, and administration have concurred on implementing an unprecedented "land reserve" in which 20 to 30 million acres—out of a total national farm acreage base of 421 million acres—are to be removed from food production over the next ten years.

Farmers are to sign an unbreakable long-term contract with the government to remove land from food production, in exchange for government money to plant trees or non-food cover crops. The deal is advertised to cost less than current government programs—loans, price subsidies, and storage costs—that guarantee the national food supply. Farmers who would prefer to provide food, will nevertheless be coerced to sign up by circumstances: They have no money for operating expenses, and face losing their land in any case.

At a news conference June 28, Agriculture Secretary John Block said that he regards 1 in 8 acres of U.S. cropland eligible for the program, 53 million of 421 million acres.

The World Wildlife Federation, the Sierra Club, the Conservation Foundation, and other aristocracy-serving networks are gloating as they anticipate vast, new wilderness areas opening up under their control.

Parallel to the land reserve program, millions of acres of prime farm land are even now reverting to government or cartel takeover through collateral foreclosures by the Farm Home Mortgage Association and other federal or quasi-government credit agencies, insurance companies, and commercial banks.

The two rationalizations fed to the public for the feudalist land reserve scheme are: First, fragile lands must be protected; second, less food output will give distressed farmers higher prices, by reducing "food surpluses" and activating the laws of supply and demand.

First, consider the national food supply question. Both the "surpluses" and the "laws" are mythical.

Additional provisions of the new farm bill are designed to guarantee food output reduction, even before the land reserve is created. The national milk reduction program has been approved by the House for renewal. Another provision mandates grain farmers to vote in a national referendum on how much less grain they will grow and market, or, if they choose not to vote, they face mandatory production quotas.

The result of these measures—whatever the details of the final package as President Reagan may receive and sign it—will be a guaranteed drastic drop in food output. To divert public attention from these consequences, the USDA and the media have conducted a misinformation campaign on anticipated huge crop "surpluses" this year. The July 8 *New York Times* carried stories of a mythical "World Wheat Glut." The July USDA

projections of the expected "huge" fall grain harvests are an Alice-in-Wonderland hoax. Such projections have always been used to justify the low prices paid to farmers by the cartel companies—Cargill, Inc. and the rest (Louis Dreyfus, Bunge, Continental, etc.). Since 1983, a top Cargill executive, Daniel Amstutz, has been the power at the USDA from his position as Undersecretary of Agriculture for International Affairs.

On the soil erosion argument, typical of the sources is the Conservation Foundation, which has been lobbying Congress for a "National Resources Conservation Act" to lock up farmland and create wilderness zones. On May 6 and 7, the Conservation Foundation co-sponsored a forum in Washington, D.C. with the U.S. Department of Agriculture's Soil Conservation Service. The symposium released a 252-page book, *Eroding Soils—The Off-Farm Impacts*, making the bogus claim that too much food production was creating undesirable run-off of soil and chemicals into the waterways. The study was financed by those famous defenders of the national resource base: the Rockefeller Brothers Fund, the Atlantic-Richfield Foundation, and Exxon Company, U.S.A.

The Conservation Foundation itself was founded in the 1940s as the U.S. continuation of a royalty-club called the Nature Conservancy Society of Europe, which called for the elimination of inferior "breeds" of human beings.

It is an oligarchy-serving lie that soil depletion is the inevitable result of growing food to feed people. With proper land management, energy availability, and inputs, soil erosion can be minimized; soils can even be built up out of deserts. The impoverishment of farmers, unable to afford needed inputs, is responsible for U.S. soil erosion of recent years.

Science & Technology

Latest SDI report: the tests Shultz wants to stop at Geneva talks

by Paul Gallagher

Soviet-State Department rumors of a "Geneva deal" to limit the Strategic Defense Initiative solely to research, have emerged just as the SDI Office had announced a series of tests and technology demonstrations of ballistic missile defense for this summer, "to convince the Soviets to accept the concept," in the words of SDI Director Gen. James Abrahamson. If the tests are not stopped to appease the Soviets, over the next 90 days SDI will demonstrate laser tracking of missiles from the ground and from space, high-power laser focusing at long distance, warhead interceptions in the upper atmosphere, and other missile defense requirements.

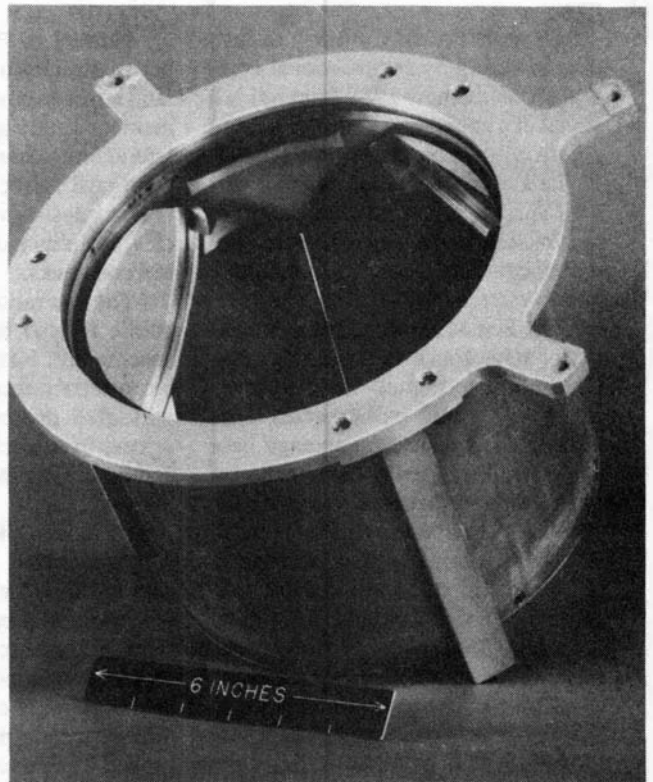
Since President Reagan decisively turned back Democratic presidential candidate Walter Mondale's attack on the SDI in the final days before the 1984 election, the Soviets and all their friends in Congress and elsewhere have demanded that the SDI be barred from any active testing and demonstration phase, and limited to endless research. Visible tests and demonstrations build massive citizen enthusiasm, industrial interest, and grudging acceptance from even the ivory towers of university scientists.

These imminent tests are outlined in "SDI: A Technical Status Report," submitted by Abrahamson's office to Secretary Weinberger at the end of June. The report was the basis for a classified briefing to a large group of industrial representatives and lab scientists on July 11, held by the Department and American Astronautical Society, ironically in the Dean Acheson auditorium of the State Department.

Photographs and drawings within the report illustrate the tests which will occur this summer and fall (if the appeasers do not stop them), and the rapid laboratory experimental progress of the SDI, which is making them possible.

- Following up the June, 1984 demonstration of interception of a warhead in space, this summer "fully guided tests of a small radar homing interceptor against nonballistic-missile targets" within the upper atmosphere, will demonstrate capabilities for the terminal phase of a layered ABM defense.

- From the Hawaii site that tracked the Shuttle with a spot of laser light, ground-based lasers will track Navy rockets rising much more rapidly, to much greater altitudes (400 miles) than the Shuttle. This will demonstrate both the tracking of the laser, and compensation for atmospheric disturb-



A retroreflector like that attached to the Space Shuttle for June's successful High-Precision Tracking Equipment, which received and reflected a ground based laser beam.

ance of the beam. The ground-based laser tests will then be repeated from aircraft. The required pointing accuracies have already been demonstrated at Hawaii for low power; these tests will be at "high average power."

- A large, flat mirror has been built, and is being tested, which is only one-tenth the density and weight of the mirror of NASA's space telescope, and "meets the requirements for space relay mirrors."

- A new test series is planned of firings of the large MIRACL chemical laser at White Sands, which has several Megawatts of power, its tests are already demonstrating "our ability to focus the laser beam onto a small spot at long range."

In addition, the SDI report announced a number of successful technology demonstrations at the national scientific labs and by industries, which change the expectations of both the feasibility and timescale of building an effective layered anti-missile defense. The most spectacular breakthroughs have been on the Advanced Test Accelerator at Lawrence Livermore Laboratory, a 50 million-volt electron-beam accelerator. This machine has "demonstrated that charged-particle [electron] beams can be guided by a laser-created channel in a low-pressure environment such as the earth's upper atmosphere, [without] bending caused by the earth's magnetic field. . . . This success has implications for charged-particle beam weapons for use at altitudes from 85-600 kilometers."

As the laser can guide the electron beam in the ATA, so the electron beam can amplify a laser in the same channel, making an "electrically powered" Free Electron Laser. Extremely powerful beam pulses have already been generated by the Free Electron Laser, at microwave wavelengths. The program's goal is now to scale this technology to higher, visible-light wavelengths needed for anti-missile defense.

Similar achievements are reported from Los Alamos and Oak Ridge National Laboratories, which are working together on the Neutral Particle Beam Accelerator, whose use will be to destroy electronic circuits on ballistic missiles. Both labs, developing different stages of the accelerator, have achieved significant current levels for up to five-second bursts, using small, lightweight devices.

Meanwhile at Picatinny Arsenal, an electromagnetic projectile accelerator, or "rail gun," has shot dense clouds of small metallic particles at speeds of 40 kilometers per second, and at five "refires" in half a second. Now about 20 meters long, if this rail gun can fire at such speeds from space down at boost-phase missiles, it can destroy them either with particles or with small rocket projectiles.

All of the SDI tests are technically "demonstrations," since the devices involved have different sizes, weights, power levels or materials characteristics than actual prototypes. They can clearly demonstrate the working principles by which the layered anti-missile shield will function. Multiple simultaneous series of such tests, conducted by many firms and labs with innovative or competing approaches, could rapidly converge on actual prototype development. This is the current stage of the Soviet anti-missile defense program; it is the stage they demand the U.S. SDI never enter.

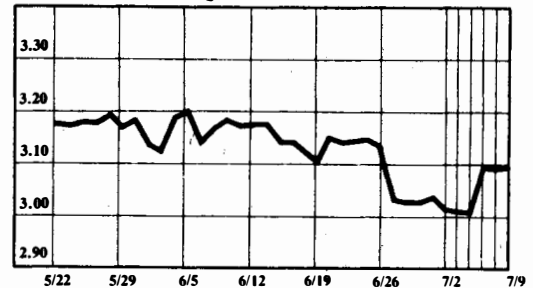
Such an accelerated approach would take a larger budget, but more importantly, defense mobilization credits, at long terms and low rates of interest, for firms and labs which wanted to demonstrate their capabilities for later development and production contracts.

By contrast, this latest status report shows that the SDI program, starved of funds by Congress and with no backup credits to stimulate its industrial base, is overseeing only a single major experiment for each area of anti-missile defense technology.

Currency Rates

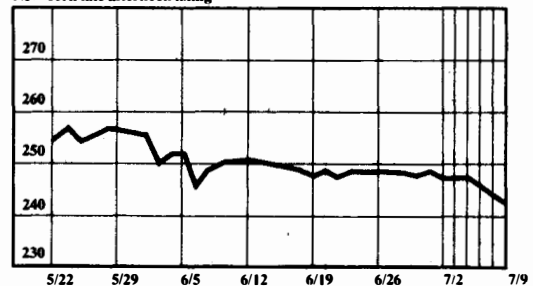
The dollar in deutschemarks

New York late afternoon fixing



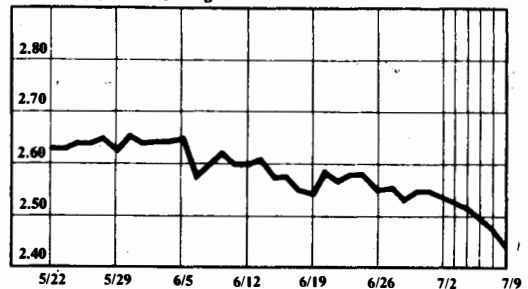
The dollar in yen

New York late afternoon fixing



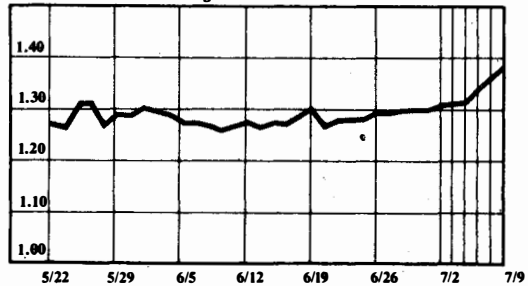
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Who organized the peso devaluation?

The PAN was routed, but high functionaries of the government are carrying out its economic policies.

The recent devaluation which the Mexican peso suffered on the eve of the July 7 elections, when the finance ministry made the so-called "super-free" dollar official, was interpreted as another maneuver to aid in the destabilization of the Mexican government.

The run on the peso escalated sharply some weeks before July 7, triggering a gigantic black market in dollars and capital flight similar to what occurred in 1982. The most vigorous black market was unleashed along the northern border, where the exchange houses got to the point of exchanging and selling at the rate of 360 to the dollar.

Then on July 9, Mexico exempted from exchange controls all dollars traded in the recently legalized black market.

It is not accidental that it is precisely in the frontier states where the National Action Party (PAN) is strong, that the black market in dollars is strongest, too.

One of the most illustrative examples of this was the case of Ciudad Juárez, Chihuahua. The local government, in the hands of PAN exponent Francisco Barrio, was responsible for accelerating the devaluation. Mr. Barrio has a considerable quantity of dollars deposited in the M-Bank of El Paso, Texas (right across the border from Ciudad Juárez).

But the relationship is not merely financial. Barrio works in coordination with Don Shuffstal, executive vice

president of M-Bank and former military attaché in the U.S. embassy in Mexico. Shuffstal has stated that he gets together periodically with Francisco Barrio, a businessman in Ciudad Juárez, and the U.S. consul, Bill Tynny, with the aim of discussing and working out policies to support the activities of the PAN.

Last June 30, Shuffstal said on an influential regional television program that "a new devaluation of the peso is inevitable," and the result was a panic buy-up of dollars.

The M-Bank, along with Paso National Bank and First National Bank of El Paso, Texas, (both of the latter under investigation for having laundered dollars from narcotics trafficking), are the banks which politically determine the parity of the Mexican peso in the exchange houses of El Paso.

But the PAN's connections don't stop there. The secretary of the local government of the city of Chihuahua, Salvador Beltrán del Río, is directly linked to the Wharton School of Business and Finance in Philadelphia. The relation goes through Abel Beltrán del Río, brother of the PAN official, who works inside the United States in favor of the PAN, taking advantage of his executive position as director of the program DIMEX which the Wharton School has set up for the Mexican economy, and to a large extent he is the architect of the latest devaluations, since 1982.

Abel Beltrán del Río has been following in every detail the Mexican

electoral process and recently commented, "It would be a tragedy if the PAN victories were not recognized."

The same Abel Beltrán del Río received prizes for his "work" from the Chihuahua group presided over by ex-banker Eloy Vallina, who, curiously enough, happens to be one of the principal supporters of the PAN in Chihuahua.

However, what's most interesting in the whole business is that apparently certain of the financial and banking authorities of Mexico helped to bring on this economic disaster.

On Tuesday, July 9, two days after the elections, the well known editorialist of the major Mexico City newspaper *Excelsior*, José Luis Mejías, wrote that due to the fact that the government concentrated its attention on the electoral process, it became distracted from the issue of the economy, "to the detriment of national interests."

He pointed out that two top officials in the government, Hector Hernández, the secretary of commerce, and Miguel Manderá Aguayo, the director of the Bank of Mexico, "are ideologically closer to the PAN and the market economy than to the PRI . . . so that either unconsciously or deliberately they are doing everything they can to favor their kind."

"Mancera for example—professedly opposed to nationalization of banking and exchange controls—has done everything in his power to create a parallel private banking system, to bankrupt the nationalized banks, and to cause exchange controls to have the most crashing failure. The strategic position he occupies permits him to make such manipulations."

The only question being asked in political circles now is, that if the PAN was routed in these elections, will certain high-level functionaries be forced to resign?

IMF threat to Guinea's stability

The Organization of African Unity will call for a summit on the foreign debt.

The attempted coup in the West African nation of Guinea on July 4 was not an affair of "tribal conflict" of Malinkes versus Peuls, as generally reported. It is true that the author of the attempted coup, Col. Diara Traore, former prime minister, and education minister in the new government, is the leader of the military committees of the Malinke ethnic group, and it is also true that he turned for support to fellow Malinkes. However, the real reasons for the attempted coup go somewhat deeper, and reflect the problems facing many African countries.

From its independence in 1958, until April 1984, Guinea was under the control of Sekou Toure. At that time, Guinea had voted against joining a community with France, and when the French left, they took everything with them.

Sekou Toure turned to the Soviets, but gained little. The Soviets were only prepared to pay a low price for Guinea's sole raw material, bauxite, and made no real effort to help the country develop. In the late 1970s, Sekou Toure began looking to the West for help, and this "look West" attitude continued after the death of Sekou Toure and the overthrow of his regime in April 1984. The country is one of the 30 poorest countries in the world, with a GNP per capita of only \$360.

However, all help from the West now has one precondition: that Guinea agree to the demands of the International Monetary Fund. France has promised that Guinea can enter the

franc zone, for instance, but only on condition that the Military Council of National Recovery (the CMRN, or government) signs on the dotted line with the IMF.

An IMF mission visited the capital of Guinea, Conakry, in April this year, and called for a massive devaluation of the currency (the syli). The IMF recommended a two-stage devaluation to bring the official exchange rate from 25 sylis to the dollar to 250 sylis to the dollar. Other measures proposed were: relaxing exchange controls, quadrupling the price of imported rice, tripling the price of gasoline, and the dismissal of 20,000 state employees.

The IMF's stated aim was to "open the country up for private international capital," although exactly how this would help the population of the country was not clear.

The government of Guinea has not agreed to knuckle under to the IMF, which may explain the attempt to destabilize the country on July 4.

The economic crisis of all African countries will be the subject of the Organization of African Unity summit due to take place July 18-21 in Addis Ababa. Foreign ministers meeting to prepare the summit have proposed that African heads of state call for an international conference on the debt crisis facing the continent. They will also call for new credits for African nations, the extension of repayment periods to 15 years, and the limiting of debt service to not more than 20% of a country's income from exports.

Africa now has debts of \$150 billion, and this will reach \$170 billion by the end of this year, and represented 51% of Africa's GNP in 1982, and 59% in 1983. In a recent interview, Tanzanian President Julius Nyerere pointed out that at the average interest rate of 10.1%, Africa is paying \$15 billion annually in interest alone. "So here is a continent which at present has to live on charity because otherwise millions of its people would die, but that same continent will probably be paying to the rich North this year an amount of \$15 billion in interest alone. And of that \$150 billion owed, Africa south of the Sahara, the poorest part, owes \$90 billion, meaning that it will pay about 10 or more billion dollars in interest alone."

Nyerere continued, "So when one is talking about what Africa can do to be self-reliant, what resources Africa itself can produce, we cannot ignore this yearly drain of \$15 billion in interest alone. We have to sit down with the governments of the North and discuss more seriously how Africa can be assisted to develop her own resources." Nyerere called for the development of Africa, saying "The real solution to the African problem is *development*. You have got to help African countries stand on their own feet, because the potential is there in Africa for producing enough food to feed the population of the continent. But the conditions have to be created for the development. The attitudes of the rich countries of the world at present are not conducive to the continent's efforts to be self-reliant. There is a continuing transfer of resources from the poor countries (including the African countries south of the Sahara) to the rich countries of the world. Unless this is reversed somehow, we are going to have this kind of problem recurring year after year."

Business Briefs

Energy

Shell game in Colombia

Shell oil has offered to buy the Colombian government's share of the fabulous El Cerrejon coal pit on Colombia's north coast, Colombia's mines minister confirmed July 8. By dumping its North Sea crude oil, Royal Dutch Shell has driven down oil and coal prices to the point that Colombia's current partner in El Cerrejon, Exxon, forced the pit to close. Now Shell is offering to help Colombia out of its bankruptcy by taking the closed mine out of its hands.

But the Colombian Comptroller General, Rodolfo Gonzalez, protested that "foreign companies are taking their profits back to America, and [Occidental Petroleum's] Armand Hammer is borrowing millions in Colombia's name, selling Colombian pipe, and handing out contracts" for his company's joint ventures with the Colombian government. Those contracts go to Bechtel, George Shultz's company. Gonzalez said such multinationals are corrupting public officials into putting the public's money in "private purses."

Mideast

Israel bows to Shultz's economics

On July 1, the Israeli cabinet approved emergency economic measures that Premier Shimon Peres reported will "be rather heavy on our people." The year-long plan includes:

- A three-month "state of economic emergency," in which the government would cut salaries, budgets, income, and profits.

- A devaluation of the shekel by 19-20%.

- Increase of prices by 12%.

A \$450 million cut in subsidies on basic food and transportation, which is expected to increase the price of bread by 75%, of milk by 65%, of frozen meat and poultry by 45%, of gasoline by 27%.

The total package will cut the living standards of Israelis by 12%, on top of the previous three years of harsh austerity, which has driven approximately 1 million Israelis

out of the country.

U.S. Secretary of State George Shultz has made the "harsh austerity budget" the precondition for U.S. extension of \$1.5 billion in emergency funds Peres requested during his visit to Washington in 1984, and takes credit for imposing this destruction of the economy on Israel.

Comecon

East bloc gets new multimillion-\$ loans

A consortium of 85 Western banks negotiated a \$600 million loan with East Germany on July 9. The consortium is led by First Chicago Bank, Arab Banking Corporation, Japan Industrial Bank, Dresdner and Commerzbank.

Western banks have already given \$1.2 billion to the East Germans, up from \$900 million in 1984. On Wednesday, July 10, Bulgaria got its first credit from the West since 1979: National Westminster Bank of London loaned \$250 million. Rumors have it that Romania and the Soviets are about to receive multimillion dollar loans, as well.

Oil

Mexico breaks with OPEC pricing system

Mexico announced its second oil price reduction in a month, and will let the spot market determine its prices, according to a government statement release July 10. "The new system of price setting will permit more flexible adaptation to rises and falls in the markets and avoid using irregular trade practices such as discounts, barter or refining deals," reads the statement. Mexico's new system will sell oil at cheaper prices to Europe and the Far East than to the Americas.

In June, Mexico moved 800,000 barrels of crude oil per day, just over half of its 1.5 million barrel export target. In May, France, Spain, and Japan stopped taking Mexican oil. On July 7, at the time of the OPEC meeting, Canada openly announced it was breaking its agreement to buy Mexican oil.

Mexico will earn an estimated \$1 billion less, because of the oil price drop, but analysts around the State Department dismiss the possibility that this will cause it to declare a debt moratorium. Mexico will, however, burn down its foreign reserves, and analysts there believe the government will impose increased austerity and further reduce domestic consumption.

Conditionalities

Argentine strike wave erupts against IMF

Argentina's CGT labor federation, run by the Peronist party, has called for protest actions "with great vigor . . . to resist all efforts which affect sources of employment." The CGT has appealed to the Congress to issue a bill "prohibiting factory shutdowns and layoffs and firings, for as long as official recessionary measures remain in effect."

The call comes in response to the "shock" program imposed on June 14 by President Raul Alfonsín under pressure from the International Monetary Fund, allegedly to "defeat inflation."

Alfonsín's monetary reform includes dramatic budget cutbacks, wage and price controls, and a 30% decline in real wages. In anticipation of a severe liquidity crisis and credit cutback in July, many companies have announced mass layoffs and reductions of the work week.

'Invisible Hand'

IMF drives Bolivia to drugs, slavery

The president of the Federation of Sugar Workers of Santa Cruz, Bolivia, Edgar Talavero, recently reported that, because the government had not yet authorized the beginning of the 1985 sugar harvest, many sugar workers are being forced into the production of coca, the plant that yields the illegal drug cocaine. He charged that "vested political interests" were trying to destroy the sugar industry, and had influenced the

government's decision.

For over a year, since the May 1984 announcement by Bolivia's Siles Zuazo government that it could not continue servicing its foreign debt, the International Monetary Fund has done everything in its power to punish Bolivia for bucking its creditors, including trying to overthrow the President. The IMF scoffed at Siles Zuazo's claim that his government had no foreign currency to pay for imported food and medicine. The government imposed austerity, paid no debt, and got no new money.

Journalist José Centeno Bilbao reported in the paper *Los Tiempos* on the growing number of men, women, and children who earn their daily food by working as slave labor contrabandists across the Argentine-Bolivian border.

These "bagalleros" begin by smuggling small packages of flour, noodles or spare parts. Then they work their way up to carrying medicine, then cetone, bicarbonate and sulphuric acid, and finally stolen cars that will be exchanged for cocaine inside Bolivia.

Thailand

Hearings in Bangkok on Kra Canal feasibility

Testifying before a special Parliamentary committee formed to study the feasibility of a canal across the isthmus of Kra, Fusion Energy Foundation representative Pakdee Tanapura stated that the canal's construction would rapidly turn Thailand into an industrialized nation, providing between 3-5 million jobs.

His lengthy report covered the following topics: 1) importance of the canal in the development of the Indian-Pacific Ocean basins; 2) shipping pattern in the Malacca Strait and projected shipping traffic through the future Kra Canal; 3) projected revenue from tolls resulting from the utilization of the Kra Canal between now and the year 2020; 4) route selection, construction costs and pay-back time; and 5) economic and social return for Thailand.

The Parliamentary committee hearings were presided over by Admiral Sanong Nisalak, member of the Parliament in the Democrat Party and a long-time supporter of the

project.

Tanapura suggested that the Thai government participate in 25% of the capital investment in order to avoid a predominance of foreign companies in the project, an idea which the committee approved on the spot.

In an earlier hearing, a representative of the National Energy Administration had said the project would cost a mere 10 billion baht (\$400 million). Tanapura claimed that this is a ridiculously low figure, and estimated total investment at around \$14 billion.

Committee president Admiral Sanong said that in the future, the Fusion Energy Foundation will be called in more frequently to provide the committee with additional information on the project.

Great Projects

Italians plan African pipeline

By 1990 a pipeline will cross the Red Sea, and from Port Sudan it will converge on the Atlantic shore of Africa in the Cameroons, carrying 4 million barrels per day of crude oil, according to a story in the Italian daily *Corriere della Sera* on June 29. The project has already received financing for \$10 billion, and the pipeline will be accompanied by a parallel superhighway. Twenty pumping stations with an average power of 90,000 HP will be built as thermoelectric centers, also to supply energy to the areas traversed by the "Transafrican pipeline."

Moreover, the necessary water to irrigate the coastal zone of Saudi Arabia and the dry lands of The Central Africa republic will be brought in from the Blue Nile in Sudan. The project goes back seven years and was developed by the Italian state holdings firm IRI and the state steel firm Finsider, with the contribution of Snam Progetti, a division of ENI, the Italian state hydrocarbons company, which specializes in pipeline projects.

The Transafrican Pipeline Corporation was registered in 1981 in the United States and is associated with British Petroleum Engineering, a company linked to the British Ministry of Commerce, the Worley Engineering Group Limited, and the German company Mannesmann.

Briefly

● **BRAZIL** will soon sign with the IMF, the government announced yesterday. Only a few days earlier, Brazilian President Jose Sarney had been saying he would never accept IMF conditionalities, since their "uncontrollable repercussions" would "threaten the democratic institutions in Latin America."

● **DAVID STOCKMAN** is resigning his post as head of the Office of Management and the Budget, effective August 1. According to Washington sources, Stockman, an extreme exponent of the policies of Milton Friedman, will join Wall Street's Salomon Brothers investment bank, where he will get paid as much as a "big league third baseman."

● **DEPARTMENT OF LABOR** officials proudly announced that U.S. industry lost 220,000 more factory jobs during the January-May 1985 period. Department chief statistician Janet L. Norwood bragged that employment in basic industry is now below 1981 recession levels, with workers going into "rising numbers of service jobs."

● **MANUFACTURERS HANOVER** Bank of New York, the nation's fourth-largest bank, has announced a massive internal austerity program to eliminate 1,745 jobs or about 6% of its international staff. This would save \$56 million—at least something to compensate for its bad Argentine and other loans.

● **MORE THAN 400** savings and loan institutions in the United States are on the brink of insolvency, and will soon collapse as high-risk loans go sour, according to a lead editorial in the *Washington Post*.

● **SEN. JESSE HELMS** (R-N.C.) has issued a report revealing that the \$65 million which was dispersed to Shi'ite terrorists for various operations, including the TWA hijacking, had been drawn from Iran Martyrs Foundation accounts at Crédit Suisse and Marine Midland Bank of London.

The scientific method to open the Age of Reason

by Uwe Parpart-Henke

On June 15 and 16, a conference was held in Reston, Virginia in memory of the German-American space scientist Krafft A. Ehrlicke. The conference was titled, "The Age of Reason, in a World of Mutually Assured Survival and Space Colonization," and discussed scientific breakthroughs in the beam defense program and the classical scientific method that led to those breakthroughs.

The Fusion Energy Foundation and the Schiller Institute convened the conference to bring together a group of international military, scientific, diplomatic, and community leaders who would take responsibility for solving the profound crisis gripping the Western world.

Uwe Parpart-Henke, whose address to the conference on June 15 is published here, is the Research Director of the Fusion Energy Foundation, and co-author of Beam Defense: An Alternative to Nuclear Destruction.

I want to start out by simply recounting one element of our association in the Fusion Energy Foundation with Krafft Ehrlicke. It did not come about directly as a result of his work in space-related matters, but on a rather broader subject. I believe my recollection is correct that we first got in touch with Dr. Ehrlicke when an article appeared in the German daily newspaper *Die Welt*, in which he launched a pointed and direct frontal attack against the "Limits to Growth" philosophy that was being expounded by the Green Party in Germany and by similar kinds of organizations around the world, going back to the 1971 *Limits to Growth* book published by Forrester and Meadows at MIT, which expounded a philosophy that was so contrary to Krafft Ehrlicke's entire outlook that he felt it was absolutely necessary to say in print, and in very forceful ways, why and how he disagreed with that way of looking at the world.

In light of Mr. LaRouche's remarks this morning about what defines a successful program [see *EIR*, July 2, 1985, "Conference honors space pioneer with drive for SDI], what is the conceptual depth and the conceptual breadth of a program such as the Strategic Defense Initiative program and other programs that we are now contemplating, it is absolutely critical to realize that it was, ultimately,

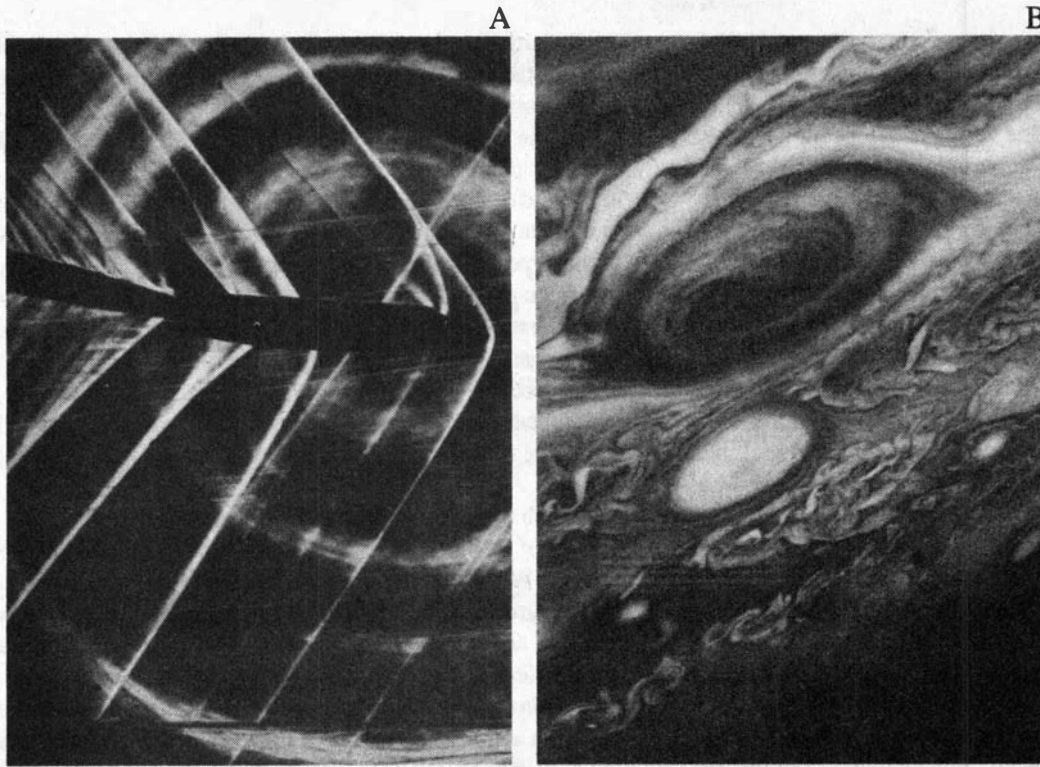


FIGURE 1

Study of the formation of vortices in fluid flow was pioneered by Ludwig Prandtl whose work influenced later advances in aerodynamics. These are photographs of air flow past a model of the Shuttle in a wind tunnel (a), vortical flow on Jupiter (b).

NASA

Krafft Ehrlicke's broad philosophical outlook that there are no limits to growth, that any kind of thinking of that sort will necessarily lead us in the wrong direction, that basically defined his approach to the specific technical problems that he tackled as well.

What I want to do is to contrast two types of approach philosophically, epistemologically, to the kind of thinking that ultimately finds its way into large programs, like the Manhattan Project, the Apollo Project, or the Strategic Defense Initiative program. One cannot simply see these as technical organizational problems or technological problems, but one has to get some understanding, of what is the broadest cultural background that defines the possibility of the successful development and execution of such large programs.

The Prandtl approach

The film that I want to show you now was made mostly in the 1920s and issued in 1927. Its title is *Generation of Vortices in Water Flows*. Such films were used for teaching students at the universities, on the characteristic features of fluid dynamics. This film was put together under the direction of Ludwig Prandtl, director of the Kaiser Wilhelm Institute for Fluid Flow at Göttingen, who is probably the single most significant researcher in this century in hydrodynamics and aerodynamics research. It is the Prandtl approach to these problems of fluid mechanics and fluid dynamics, which I want to use to exemplify for you the type of outlook and the kind of philosophy that has to find its way into the development of these large-scale research programs, if they are ulti-

mately going to succeed.

Let's first take a look at these filmclips without much commentary and then go into the background.

The film is from the Institute for Fluid Flow in Göttingen, and shows the vortex formation in water flow. Dr. Tietjen, who is mentioned here, was the co-author with Prandtl of what was probably the most influential book on fluid mechanics. The surface of the water has been sprayed with some aluminum, in order to make it photographable, and this is streaming around a cylinder. The fluid flow comes from the left, as the actual vortex formation, which becomes large-scale after a short period of time. Some of you may recall the pictures taken on Jupiter by the space probe, which showed a very similar kind of phenomenon of the large red spot on Jupiter (Figure 1).

This is a closeup of how this so-called boundary layer rips off and develops the vortex, the fluid vortex. The back stream, the backflow around this cylinder is next. You can think of this as an airfoil, as a wing, and you can see the backflow beginning on the lower right-hand side and creating the vortex. If that occurs on a large scale and in the center of an airplane wing, it leads to stall. I want to call your attention to the very critical role of the so-called boundary layer, very close to the surface.

Now we are looking at an elliptic cylinder in the so-called subcritical regime. The boundary layer is that sort of light, surrounding mass around the dark cylinder. Subcritical in this case means that the fluid flow is relatively slow and does not lead to rapid vortex formation. Now you see hypercritical flow around an elliptical cylinder. You can see now, how the

backflow develops and the vortexes form.

Now the stream lines around the sharp object, like the tip of a knife. Because of the large difference in velocity on the left side and the right side, the vortex develops immediately.

Now we are looking at an airplane wing, an airfoil. The most interesting moment is the first moment, when you see the onset at the end of the first vortex, which then begins to rip off the boundary layer.

This is again around an airplane, an airfoil. You can think of the airplane starting out, and that's what you will get in the air. If you have ever been in an airport and are close to a 747 taking off, you know that these vortexes hit you quite hard, and in fact smaller planes cannot take off in the wake of a large jet. In this case the wing is accelerated and then stopped again and only the flow is followed to see what happens.

Now a rotating cylinder is investigated, and because of the rotation the boundary layer is not ripped off early and no vortexes are formed. You could build a rotating airplane wing, that might be fine, except that does not seem very practical. So, first there is the rotation, and then the rotation is stopped. The rotation prevents the boundary layer from being disturbed by the possibility of vortex formation. When it is stopped, the vortex forms immediately. Initially, the cylinder was not rotating the vortex form, and, when it started rotating, it got rid of the vortex formation. When it stops, the boundary layer is ripped off. By applying suction, you prevent the vortex formation. When the suction is reduced, immediately the vortex forms and the boundary layer is ripped off.

The Göttingen tradition

The research that led to such photography and teaching films, had started at the University of Göttingen around the turn of this century. Prandtl came to Göttingen in 1904 and initiated this kind of research, building the first sizable wind tunnel and similar apparatus, which made observations of this kind possible.

What I want to do, is review for you some of the broadest philosophical background to the kind of thinking, that enabled the researchers at Göttingen, at Berlin, and at Aachen in particular, to make the kind of breakthroughs in fluid dynamics and in aerodynamics, in the early part of this century, that made manned flight, ultimately supersonic flight, and then rocket flight a reality. I want to counterpose that to a different kind of philosophical tradition, which, if it had prevailed over the tradition that led to the work of Prandtl, would have left us in a situation, where most of the developments that we have seen in this century, and especially after World War II, would have been either very far delayed or might not have occurred at all. **Figure 2** shows a kind of derivation of the tradition, with some specific emphasis on the geometrical type of thinking, that was characteristic of the Prandtl school and of the individuals, whose earlier scientific ideas led up to that.

In particular, I want to make a few detailed remarks about perhaps the most influential and least known mind in this line of succession, Jakob Steiner.

At the beginning is Gaspard Monge. Monge was one of the principal researchers at the French Ecole Polytechnique, at the end of the 18th century, and he pioneered a method of looking at differential equations, equations which define different types of complicated physical processes, essentially from a graphic or a geometrical point of view. These methods proved extremely successful in the early work of the Ecole Polytechnique and then led to a situation, in which many of the students not directly of the Ecole Polytechnique of Monge, but students conceptually of these ideas, perfected this and were able to make enormous progress in a very short period of time.

Jakob Steiner was born in 1796 and he came to the University of Berlin, which had then just been founded by his mentor, Wilhelm von Humboldt. He came to Berlin as somebody who did not have a job; he knew a great deal of geometry and was convinced of his ability to solve the most difficult geometrical problems, but he did not have the kind of formal education that would have allowed him to become a professor in Berlin at that time. He could not even become a teacher at the high school level: In order to do that, he would have to pass a so-called State Examination, and he tried that in 1822 after he had just come to Berlin.

He had the bad fortune that one of his examiners in the field of philosophy was Hegel. Those of you, who attempted to read some of Hegel's writings, will appreciate two things that Steiner did: First of all, before he was examined in philosophy, he wrote a note of protest, objecting to the idea that he should be examined in the kind of obscurantism that Hegel's philosophy represented. Hegel then, as you might imagine, retaliated in the examination itself and wrote a report. Hegel said, "Jakob Steiner concerns himself only with entirely trivial reflections." These "entirely trivial reflections" define the conceptual basis in almost every respect of the type of work, which led to the film that I showed of Prandtl and his collaborators.

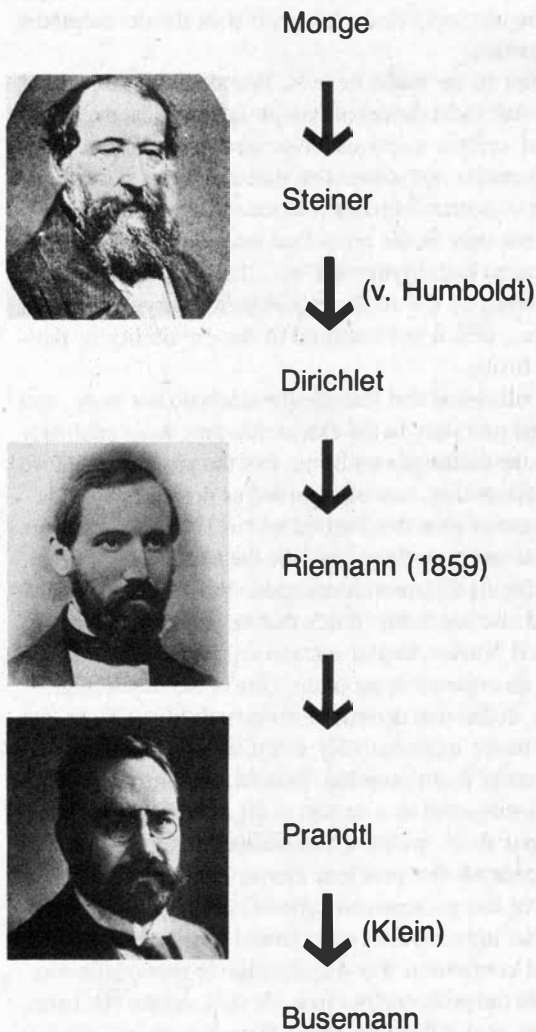
Steiner's so-called triviality in the mathematical field was characterized by the fact, that he abhorred algebra and he was also tested in algebra. The two things he was tested in were Hegelian philosophy and algebra. He flunked both of these tests marvelously. The quote from the person who tested him in algebra, was that his knowledge of algebra does not appear to go beyond the solution of equations of the second degree and he does not even seem to be very familiar with that. Equations of the second degree, are something that, perhaps unfortunately, people are now being taught at a rather early age. But in any case, his genius in geometry was recognized, and perhaps we don't know the details, but perhaps first recognized by Wilhelm von Humboldt, who founded the University of Berlin and was the minister of culture of Prussia for a while.

He had his youngest son educated in private by Steiner

The Göttingen tradition

FIGURE 2

The villainous tradition



Newton



Lagrange



Helmholtz, Kelvin
Rayleigh



v. Karman, v. Neumann
Millikan

after Steiner had been denied official certification as a teacher. The first book that Steiner wrote on geometry, which became the principal textbook in geometry at the University of Berlin later on and in many of the German universities and high schools afterwards, was dedicated to von Humboldt and von Humboldt's method of thinking. What Steiner always stressed in teaching his students was that there is a very close relationship between the kind of creative playfulness that we apply in geometrical constructions and our ability to develop entirely new concepts; whereas, on the other hand, algebra puts the mind into the kind of straitjacket that does not enable the student at a later point to apply himself creatively to new types of problems. I don't want to review in any further detail the career of Steiner. I want to point out that in 1834 he finally got his appointment at the University of Berlin, because it

was recognized that he was an obvious genius in his field. His efforts to become a professor were supported by Crelle, by Bessel, by Dirichlet, and by Jacobi, who were then the greatest mathematicians in Europe.

The opinions of Hegel and of some other mathematicians, who initially examined him, were thankfully ignored at that point and he was made a professor. In 1847-48, he became a principal teacher at the University of Berlin of Bernhard Riemann, and it is the work of Riemann and Dirichlet in the 19th century that really laid the foundations for the work in fluid dynamics and aerodynamics that developed the possibilities of manned flight and of rocket flight later on.

Especially from the standpoint of the possibility of supersonic flight, a paper that Riemann wrote in 1859 on shock waves—the kind of waves that are formed in a compressible

fluid, be it a gas or any other kind of compressible fluid—proved extremely influential. It was one of the most important things to consider, when supersonic flight was contemplated in the period of World War II and afterwards. Contrary to many of the critics of Riemann, it was precisely the case that he discussed so-called isentropic compression shocks in his 1859 paper, which proved to be most important and influential in the theory of supersonic flight. Prandtl's training in Germany was very much in the tradition of Riemann, and in fact in some of his first papers, he quotes Riemann in detail.

He had a student, who perhaps many of you never heard of, Adolf Busemann, who worked in Germany during World War II, then came to the United States after World War II. His ideas were the essential ideas that made supersonic flight possible by October 1947, when the first Bell X-1 plane crashed the so-called sound barrier. (A lot of things could be said about this notion of the sound barrier—there really is no such thing—and it in fact implies all the wrong things and I make the point of that, because it implies precisely that wrong kind of thinking, which we should stay away from.)

The opposing tradition

We counterpose now the geometrical tradition, reaching from Monge through Busemann, to the tradition of the people, who, if their ideas had prevailed, engineers or other inventors might have invented airplanes and done various kinds of things with them, but physicists and mathematicians would have been able to prove quite rigorously that manned flight or flight heavier than air was impossible.

One of the people on this list is Theodore von Karman, who in his very early career, just about one year before the actual first flight heavier than air by the Wright brothers, proved to his own satisfaction (not to the Wright brothers' satisfaction), that flight heavier than air is impossible. This was based on the theory of air resistance, of so-called drag, a resistance of any fluid against an object being moved through it: the so-called impact theory, or resistance or drag, due to Newton and later on developed in more detail by Lagrange. One could perhaps say, somewhat ahistorically and facetiously, but nonetheless correctly, that Newton was the first to prove that flight heavier than air or any kind of flight—in fact it is not even clear, how birds could fly under Newton's theory—was impossible.

Prandtl makes the point in his famous textbook (actually written by Tietjen on the basis of Prandtl's lectures) by saying, that if it were the case, that drag or resistance increases with the square of the velocity, then under those circumstances it is extremely difficult to see how flight of any kind is conceivable. The way Newton arrived at this, is on the basis of this so-called impact or collisional model; i.e., thinking of an airfoil or even a plate injected into an airstream, and simply computing the impact and the forces of impact of the molecules that impact on this particular airfoil, that impact on any kind of object put into the flow. This way of thinking and von Karman's calculations that led him to believe that

flight heavier than air was impossible, were based on that kind of impact model. Essentially, he said, the molecular pressure would prevent takeoff. You shall see later on, how this kind of thinking was quite pervasive, even at a point when von Karman later on became one of the celebrated people, who allegedly had a lot to do with the development of aerodynamics.

The point to be made here is, that this collisional and essentially statistical model of computing physical events on the basis of certain averages, averaged over particles and groups of particles and molecules statistically, is proved one of the most important barriers to a satisfactory development of theory, not only in the areas that we are discussing here, fluid dynamics, hydrodynamics, etc., but also in the equally important areas of the field of quantum theory, of plasma physics, etc., which are essential to the possibility of thermonuclear fusion.

These collisional and statistical models do not work, and it is only and precisely to the extent that they were explicitly rejected by the Göttingen tradition, that the programs that we have been discussing, can be regarded as possible.

The essential idea that Prandtl had in 1904, is that if one were to try to use directly to describe the possibility of flight, the very difficult differential equations that govern the flow of so-called viscous fluids (fluids that have internal friction), the so-called Navier-Stokes equations, then one would be faced with an impossible problem. One could experimentally, perhaps, define and determine the possibility of flight, but one could never quantitatively calculate the actual conditions, that make flight possible. Prandtl, rather than looking at an airfoil subjected to a stream of air as an airfoil injected into a viscous fluid, which mathematically is impossible to handle, separated the problem characteristically from the standpoint of the geometrical type of thinking, the type of thinking, that introduces as an essential characteristic of the geometrical continuum the singularities in this continuum. He separated the problem into two. He said, on the one hand, we can look at the flow far away from the airfoil, the so-called free flow, on the basis on the very simple potential equations according to Laplace. These are trivial and relatively easy to understand differential equations, which have an immediate geometrical interpretation in the context of so-called conformal mapping theory.

Prandtl said the only area in which we have to consider flow that has internal friction, is in the immediate vicinity of the airfoil itself, in the so-called boundary layer, and that is that little white layer that you saw around the objects in flight earlier. In this area, we can no longer ignore viscosity, we can no longer ignore the internal friction of the fluid, in particular, because we know, on the one hand, that directly at the surface of the airfoil the flow is zero; i.e., the air of the water, or whatever it is, actually sticks at the surface. A very small distance away from this, it is clear, that it has already attained the velocity, which is equal to the free flow velocity. What we must look at is this critical boundary layer or what

he called surface of discontinuity, in which, over an extremely thin layer—which can in fact be thought of as arbitrarily thin—a very, very large difference in velocity is attained. If we take into account the theory of this boundary layer from the standpoint of thinking of it as a surface of discontinuity, under those circumstances we can simplify the Navier-Stokes equations quite significantly, and are therefore able to give a quantitative solution to the problems of drag, of lift, and all of the other aerodynamical problems that are critical to discuss the possibility of flight.

Without the kind of work, that Prandtl did—first published in 1904, and discussed by him previous to his coming to Göttingen, when he was a teacher at the Technische Hochschule in Hannover—without these kinds of discussions of the boundary layer problems, it is generally acknowledged today, that a quantitative discussion of the possibility of flight would not have been available.

One of Prandtl's most important colleagues was Runge, a mathematician who developed many of the mathematical methods for calculating the problems in aerodynamics that Prandtl raised.

The role of Felix Klein

I would like to make a few remarks about the role of Felix Klein, the teacher of many of the students in the late 19th and early 20th century in Germany in mathematics and in physics, who at the same time was one of the most accomplished organizers of the total scientific technological and industrial enterprise in Germany. Klein had earlier made a name for himself by developing some very interesting and significant work in elliptical function theory, and in the 1890s he came to Göttingen as a professor and made it his task to try to define a research program for the entirety of the technical and scientific disciplines at the University and importantly in close collaboration with Willamowitz, who was the senior faculty member in the field of *Alphologie*, ancient languages with specific emphasis on Greek. Klein and Willamowitz jointly defined an outlook on research and education, which I think is uniquely responsible, in terms of its philosophy, for the advances that were made in Germany in that period. At the same time, Klein in particular enlisted and in a certain sense forced German industry into supporting this kind of research, both by financially supporting the research institutions that were being built at the German universities, and at the same time created inside their own companies and allocating up to 20% of the total profits of the company for research and development.

Klein founded the so-called Göttingen Association, the *Göttinger Vereinigung*, in 1898. This was the group of professors at Göttingen who collaborated with the principal people in German industry. The Göttingen Association mandated that any industrial company that wanted to get the top students from the disciplines of physics or mathematics, or the engineering sciences into their companies, could not get that unless they could demonstrate that more than 20% of

their profits had, in fact, been allocated to research and development. They were otherwise not found worthy of being supplied with that kind of manpower.

Klein, because he had a very close working relationship with the Prussian minister of culture, Althoff, was able to quite rigorously control this situation, and was able to force those companies that did not want to comply into a situation where their competitiveness was, in fact, severely hampered.

Now, whether or not one wants to use that kind of model in the United States today is, I think, something you might want to debate and think about. But, in any case, the basic point here, I think, is very clear: that industry must make its contribution not only in the form of financial donations, but in terms of an actual, in-depth commitment to research and development, so as to be able to collaborate with the most advanced scientific institutions, so that there is not this tremendous and unnecessary gap between theoretical and applied research. And that was Klein's principal purpose.

He was able to enlist the heads of *all* of the large companies, from Krupp, to Siemens, to M.A.N. Any company of any size in Germany in the period before World War I became, at one time or another, a member of the Göttingen Association and collaborated in this program. It's this which made the developments possible which have been discussed and reviewed during this conference.

Von Karman and other villains

Now, let me review, in contrast to this, the type of approach that was taken by the second group of people. Some of you who have worked in the airplane industry and the space program, etc., may not only be surprised, but perhaps offended by the fact that I single out Theodore von Karman as one of the villains in this story, even though he admittedly made some significant contributions in certain areas. Von Karman, himself a Hungarian by birth, was a student of Prandtl at Göttingen. And Prandtl was instrumental in providing him with a professorship at the technical university in Aachen, in the westernmost part of Germany. In the initial years still directly under the influence of Prandtl, between 1908 and 1911, von Karman did quite excellent work there. In fact, much of the type of work on so-called vortex streets, vortex formations behind objects, and fluid flow, is due to the early work of von Karman. During World War I, he was drafted into the Hungarian Air Force, and he then returned to Aachen in 1920, to resume his post.

It is not quite clear what happens to one if one is drafted into the Hungarian Air Force, but whatever happened to von Karman was not very good. The actual scientific developments and the scientific initiatives that he took after his return to Germany, I think, are by and large, to be judged quite negatively.

In 1922, he organized a conference, along with others, at Innsbruck, Austria, in which he was the first to propose, directly in opposition to the geometrical approach of Prandtl, a statistical approach to the theory of turbulence. It was as a

result of the disagreements that arose out of that—they did not really come very much to the surface or very much into the open, at least in these kind of disputes, scientists often tend to be polite, perhaps *too* polite, rather than bringing out these differences for everyone to see—but in any case, Prandtl quite strongly disagreed with this approach. It was directly contrary to his own way of thinking, and to his own insight into what had allowed him to succeed.

Prandtl blocked the appointment of von Karman to a professorship in Göttingen in the early 1920s. At that point, a different development occurred in the United States.

After World War I, it had become quite obvious that airplanes and similar kinds of high technology devices had already had a very significant influence in World War I, and might, in fact, become decisive if a new war were to break out in the future. At that point, various organizations of industry, as well as military organizations in the United States, realized that the actual level of physical science and of engineering science in the United States was abysmal, and attempted in the relatively shortest possible period of time, to remedy that situation. One of the principal protagonists, and there should be no question that it was the proper purpose, though, I think, badly executed, was Robert Millikan, who, in 1923, won the Nobel Prize for physics for his experiments with electron theory.

Millikan, at that point, or at least slightly later, became the leading physicist and, in fact, the leading organizer of the research at the California Institute of Technology. He collaborated very closely with Daniel and Harry Guggenheim, for the purpose of making money available for the development of research institutes, and also for the possibility of attracting researchers, primarily from Europe, and with emphasis on Germany, in order to remedy the backwardness of the United States situation as it existed under those circumstances.

In one way or another, it became known to Millikan that von Karman was getting disenchanted with his position in Germany, and by 1926, negotiations started between Cal Tech and von Karman. Initially, von Karman acted as a consultant in the construction of the wind tunnel at Cal Tech, and then later, in 1930, actually permanently moved to the United States.

Millikan himself did some useful experimental work, but his philosophical outlook on the scientific enterprise was essentially diametrically opposed to the kind of outlook that I have ascribed to Prandtl and others. His autobiography—mind you, this is not a biography I'm quoting, but an autobiography, so it reflects his own way of thinking—starts with recounting a little story when he is four years old. He is playing with his two-year-old brother, under their porch, in the dirt, playing with dust. He says, my younger brother picked up a bunch of dust and told me, "Well, *eat* it. One can eat this." And Millikan says, I didn't believe that, and I told him it's not possible, but my younger brother, at age two, did not want to believe me, so I told him, "Well, why don't you eat it yourself?" And the two-year-old picked up the dust

and ate it, and then ran, screaming, to his mother.

That, says Millikan, is how he became a physicist. That is how he was first convinced of the value of the experimental method. Well, as I said, if I wanted to slander the man, I might have *invented* this story, but in fact, it is the first paragraph in his autobiography; so therefore, presumably, he was deeply impressed by this and somehow *believed* this kind of nonsense. Well, that's not how you become a physicist, or anything else. That's how you become a *fool*.

I want to read you a list of whom, later on in his autobiography, Millikan regards as his scientific heroes. This reads like a list of the villains that I showed you earlier, but somewhat amended. He regards Maxwell as the greatest genius in the history of science. He then lists Kelvin, Rayleigh, Helmholtz, Boltzmann, and J.J. Thompson. Now, mind you, this is a man speaking in the 1940s. There is not a single mention here of people whom, I think, we rightfully should regard as the greatest scientific geniuses of the 19th and the 20th centuries.

The problem is, that the scientific enterprise in the United States, even at a point when, quite correctly, it was realized that it was backward, then came under the guidance of an individual who had done valuable experimental work, but whose entire outlook and way of looking at the scientific enterprise, was so slanted and so wrong, so badly misguided, that there is no real surprise that his programs, in fact, did not prove particularly successful.

Now, in terms of the Guggenheim-Millikan enterprise, they decided that they needed somebody. The phrase they used, was "finding a scientist of ability, bordering on genius." They wanted to find a scientist with the ability bordering on genius, give him some money, and let him develop aerodynamics in the United States. And the one they found was von Karman.

Why did they hit upon von Karman, rather than Prandtl? Well, here's the actual quote from a letter: Harry Guggenheim had gone to Germany at that time in order to look for such a genius. He had gone to Göttingen, he had seen Prandtl's work, and for whatever reason, Guggenheim was impressed, and said to Millikan, well, "let's get Prandtl."

Millikan responded, "Dear Mr. Guggenheim . . . with respect to the suggestion which you made as I left your house, that we try to get Prandtl over here for a short time, I have talked the matter over at length with Epstein and Bateman. Both of them think that in view of Prandtl's advanced age [mind you, he was five years older than von Karman] and his somewhat impractical personality, he would be far less useful to us than von Karman."

And then, later on, a little footnote is added, where he makes some remark about G.I. Taylor and Britain. In fact, they preferred G.I. Taylor as well. That may not mean much to many of you, but to some of us who know about G.I. Taylor's work, it means something. But in any case, it says: "The other thing that speaks for von Karman, by the way, is that he is Hungarian in nationality. We have between us

reached the conclusion, partially because of von Karman's nationality, that he would be the better person than Prandtl."

One of the most famous quotes that I have of Millikan, is also in his autobiography; this was right after World War I and perhaps understandable in the heat of the argument in some respects; he said, what we can't have in the United States is the German barbarism reflected in World War I, and we can't have people associated with scientific work, in Germany at that time—which was true for Prandtl who had a great deal to do with the development of airplanes. Then he said, "we Anglo-Saxons have overcome these tendencies toward barbarism. The British Empire, after ridding itself of some of its worst excesses, has become the veritable model of freedom and development in the world today."

So, this was the person who brought a genius to the United States.

The gist of what was the outcome of this, you could see at the end of World War II. From 1930 on, von Karman was effectively in charge of all of aerodynamic research in the United States. There was really nobody who could have challenged, in any way, negatively, or otherwise influenced, what he wanted to do.

In 1935 the so-called Volta Congress took place in Rome, a congress on aerodynamics and fluid dynamics, in which certain presentations were made, the primary ones by Adolf Busemann, whom I already talked about, and the other one by General Crocco, who was one of the principal aerodynamics researchers in Rome. Von Karman went to that congress, after he had been in the United States for five years and had gotten more money for developing aeronautical research at Cal Tech than the entirety of European institutes taken together. He came back with the impression that the Europeans were far ahead. And he made a report to this effect, but couldn't figure out why. He said, we seem to be doing what we should be doing, but somehow, we don't seem to be succeeding.

In particular, he was quite rightfully impressed with the fact that after four years of trying at Cal Tech, they had built a wind tunnel that was operating at several hundred kilometers per hour speeds, and something like 5,000 horsepower. When he went to Rome in 1935, he found a supersonic wind tunnel operating at twice the speed of sound, and with 20,000 horsepower. So he came back and was shocked and made the determination that all energies must be mustered to develop this work better in the United States. Nothing came of it.

In 1938, the question of jet propulsion was first investigated in the United States. There was some suggestion that jet propulsion should be a good way of driving airplanes. A committee was called together by the National Academy of Sciences, under the leadership of von Karman and Millikan, with the able assistance of Professor Marks of Harvard University. And they delivered their report on June 10, 1940. The report said, in essence, gas turbines are no good for flight because they're too heavy. Well, several months before that,

the first model of the Messerschmitt 262, the actual German jet fighter of World War II, had already successfully flown and gone through much of the testing routine, etc.

Von Karman delivered a report of the impossibility of jet propulsion for aircraft, at the time when such aircraft were already flying in Germany! Well. He later on apologized and said that he just put his signature to this report, he didn't really read it. And then he said that when the report was issued in 1938, he was in Japan. He in fact was in Japan in 1938; however, the report was not delivered until 1940, so that doesn't make much sense.

The Army Air Force, in 1945, was quite shocked when they saw what they had found in Germany. Several people were sent over in 1945, to Germany, to investigate what was going on. Von Karman was one of them. He and another researcher from Cal Tech went to Germany, and then they questioned for long hours Prandtl in detail about what he had been doing. Adolf Busemann was questioned in detail about his ideas on supersonic flight.

After von Karman came back, he was asked by the NACA, the National Advisory Committee on Aeronautics, as well as by the Air Force, to deliver a report. And he wrote a report which said, we weren't really very impressed with what we saw in Germany. In fact, in many cases, the German work was good, but it certainly was not spectacular. Many of the things that have been praised, we were ourselves thinking about.

The Air Force did not issue the report. One of the top people in the NACA, Hunsaker, wrote a letter to von Karman, saying that, this seems to be a rather self-serving and nonsensical report, and you will make yourself a laughingstock of the world if you issue it. For your reference, said Hunsaker, I will list to you precisely those areas in which the Germans *were* ahead in 1945, and in which we did virtually nothing, and he went through it: Supersonic research, missile research, rocket research, jet propulsion, swept-wing design, and so on and so forth. And he just listed those areas, primarily in the field of aerodynamics.

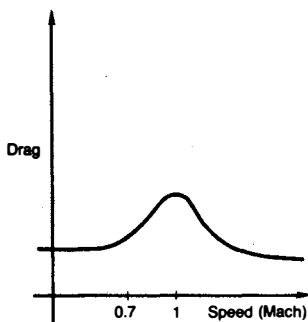
So, the report was not issued, but von Karman was promptly charged by the Air Force to write another one, outlining the next 50 years of aerodynamical research for the United States. I don't know if that was ever written, or maybe it's a classified document. I hope it's so deeply classified that nobody will ever see it.

The question of method

That brings us to the fairly obvious conclusion. There's no question that the financial and material means at the disposal of the German effort in aerodynamics and related fields during and before World War II were in no way superior. What was superior and was different, was the type of outlook and the basic method that I have stressed here.

Von Karman is associated with the statistical turbulence theory and with the idea of using the classical hydrodynamic theory, making certain linear adjustments in it, in order to

FIGURE 3



The so-called sound barrier has nothing to do with a barrier. If you get near the speed of sound to about 0.7 Mach, the drag coefficient on the airfoil increases very steeply, because shock waves develop that affect airflow over the airfoil. The critical zone for the development of shock waves that influence flight and lift negatively is at the 0° angle. If the wing of the plane is at right angles with the fuselage, you get the onset of the critical area at 0.7 Mach. But if you have a 60° angle of the wings, then not even half the drag coefficient develops, and if you have a 70° inclination you get a point where you get a very low, very late onset of the critical phase.

get away from the nasty singularities that plague this kind of research. He's associated precisely with the outlook which, if it is adopted in principle, will not allow any significant advances in the physical sciences, and has never, in fact, been responsible for the development of such advances. That is the very simple fact that we have to face.

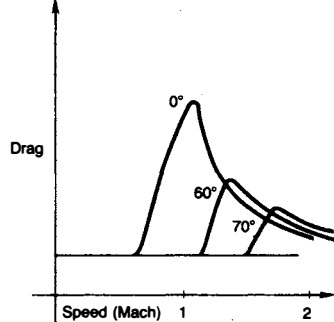
It has nothing to do with Germany versus the United States, or anything of that sort. It has something to do with *method*. These points of method were shared by the people of the Ecole Polytechnique in France, they were shared by the group around Riemann, they were shared by the great hydrodynamicists of Italy in the tradition of Riemann, and they were shared by all of those researchers whose names I already mentioned, most notably, Prandtl and Busemann in Germany at that time. It is not a point, as Millikan says, of nationality.

In the postwar period, there are a number of important things to look at. I will not look at the rocket programs because they have been reviewed here competently.

Look at the so-called sound barrier (Figure 3). I object to the word "barrier" because it implies precisely that kind of collisional approach. It has nothing to do with barrier; there is no barrier, there is nothing there. There is just air, like anywhere else. The point is, that if you get near the speed of sound to about 0.7 Mach, then under those circumstances the drag coefficient on the airfoil increases very steeply, exponentially, until you in fact reach the speed of sound.

The reason for that is the fact that through the development of shock waves, which affect the airflow over the airfoil, a certain amount of the lift energy is converted into shock formation. That energy is taken away from the lift capability of the plane, and under those circumstances you experience various kinds of instabilities and difficulties with

FIGURE 4



the plane itself, which have to be countered simply from the standpoint of understanding the problem—of making the kind of geometrical adjustments, in wing design, or anything else, that are necessary to do that.

One of the principal adjustments in wing design that can be made, was invented by Busemann, the so-called swept-wing design, the arrow design. You can see here (Figure 4) how the critical zone for the development of shock waves that influence flight and lift negatively at the 0° angle; that is, if the wing is at right angles with the fuselage, you get the onset of the critical area at 0.7 Mach and then the drag coefficient declines afterwards.

If you have a 60° angle of the wings, then not even half the drag coefficient develops and you get it also at a much later point; namely beyond Mach 1. And if you have a 70° inclination with the fuselage of the wings, then you get to a point, where you get a very low, very late onset of the critical phase. Also, the amount of reduction in lift or the amount of increase in the drag coefficient is not very substantial. It is there, it will always be there, because shock waves form.

Shock waves are real, as was certainly determined by these methods of research in aerodynamics that were carried out in the 1930s and 1940s in Germany, primarily under Busemann's direction in Braunschweig. They are not what Rayleigh had critically said, when he criticized Riemann's 1859 paper. He said, well shock waves do not exist, what exist, are singularities in the mathematical formulation of the wave equations, but we cannot assign any reality to such singularities. All it means, is, that we have failed to come up with a solution.

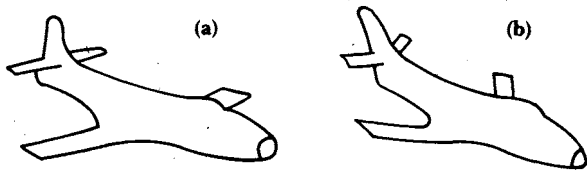
As Riemann said, these things *are* real, and he said it 50 years before Rayleigh made that idiotic criticism. It was precisely because of that realization of the reality of the shock waves, that when supersonic flight was studied in supersonic wind tunnels in Göttingen and Braunschweig, and later on in Munich, Lake Kochel, etc., that these things were taken into account.

Here is an interesting example (Figure 5). This is the Douglas D-558, which was developed simultaneously with the Bell X-1 as a supersonic design in 1945 before the von Karman mission went to Germany and interviewed Busemann and others. That was their design (a): a straight wing sticking out, so you have the 0° angle situation of before, a tail end that sticks up, just as in the old designs of aircraft in the subsonic range.

Then von Karman and others came back to the United States in the summer of 1945, and after the summer of 1945 the D-558 looked like (b). It was all of a sudden a swept-wing model with a swept-tail configuration etc.

In fact, one of the interesting stories that I learned several years back when visiting a scientific conference in Moscow, was that a Russian researcher showed me a picture of one of the models for a supersonic passenger jet type that the Russians had acquired when they moved into the eastern part of Germany. "What do you think that is?" he said. I said, "Every-

FIGURE 5



The Douglas D-558, which was developed simultaneously with the Bell X-1 as a supersonic design in 1945, had a conventional straight wing (a). After von Karman and others visited Germany and interviewed Adolf Busemann, their design was modified to his swept-wing design (b).

body knows, that's the Concorde." But it was not the Concorde, it was a model built by Busemann for a supersonic jet, to which the Concorde design is identical—done in the late 1930s.

There is no mystery of any kind involved here. It is a simple and straightforward story, it's a question of method, both of scientific method and of method of organization. It's a question of assembling the kind of scientific team, which is capable, on the basis of the right kind of methodological approach, to find the mode of organization most appropriate to its goals, and simultaneously, as was pointed out by one of the previous speakers, setting your goals never with regard to so-called state-of-the-art designs, but in fact, setting them as far beyond as possible.

To the extent that you do that, you will be capable of changing this so-called state of the art rather than being stuck with it. What we have to do in any program, whether it is a crash technological development program or a basic research program, is to set our sight on the kind of goals and tasks that are way beyond what we initially anticipate the most immediate goal of the program to be. If that is not done, then we will not confront ourselves with the type of challenge that in fact is necessary in order for the scientific enterprise to succeed.

The lesson to be learned, is that we do not need state-of-the-art programs; that is nonsense, and leads to precisely the wrong approach. The cheapest programs are not state-of-the-art assembly programs; the cheapest programs will always prove to be those crash programs that look as far ahead as possible in order to accomplish the immediate task. This may appear to be quite expensive in the long run, if you have to bring in basic research and technology and design and all of that together into a program, rather than just saying, let's do the state of the art, on the basis what we have on the shelf. The latter is going to be the most expensive and the least workable approach, and I am afraid, to a significant extent, when we are talking about the SDI today, it is precisely that kind of approach to the situation, that is most problematical.

Concluding on that, I have to mention one other villain, who had something to do, not so much with the scientific side of these developments, but had a tremendous influence on

this organizational side: John von Neumann, another Hungarian-born mathematician, who also studied at Göttingen and later came to the United States in the 1930s.

I have no time here to review von Neumann's career, even any significant aspects of it, but you probably know that he is associated in the minds of most, not so much with his mathematics and physics, but rather with his ideas in economic theory. In particular he wrote a book, along with Morgenstern, called *The Theory of Games and Economic Behavior*, viewing economic development essentially as a kind of competitive game between players much as players face each other in a poker game. In fact the first paper von Neumann wrote on economics so-called in 1928 was *The Theory of Parlor Games*.

The next thing, he studied in order to be able to model economic development in the late 1920s, was poker, and he invented a simplified version of stud poker and abstracted from a simplified version of stud poker his basic ideas of economic development. Don't underestimate the influence of this nonsense. What had come out of that, is the Rand Corporation, the Airforce Systems Command, and every single bit of so-called cost-benefit analysis optimization nonsense, that we are suffering from right now, and it is one of the principal problems, in order to be able to get defined and pushed through the kind of crash program for the SDI, that is desirable.

The other thing that has come out of it, is the famous McNamara way of "winning" the Vietnam War. You remember what that was: it was the body count method—cost benefit analysis applied to military strategy and tactics. You all were treated to that, most of you, I am sure, every night on TV: You had a body count, so many Vietcongs, so many North Vietnamese killed, so many Americans killed, the ratio looks good.

They made detailed analyses of how many people exist in each age group in Vietnam, to see how many people were being eliminated per day, and then the question was, how many troops do we have to put in and all to win on the basis of cost-benefit analysis? How much do we get out of it, if we put so many soldiers, so many tanks, so many this and the other things in, from the standpoint of linear programming and optimization analysis? How do we win? You can't win that way.

The principal strategic problem in military terms and otherwise in politics is the principle of the flank. The principle of the flank defies by its very definition the idea of cost-benefit analysis, and this has precisely to do with the unexpected, to put a tremendous amount of cost into one area, where it is unexpected, in order to be able to then succeed as quickly as possible. The very opposite of the kind of thinking, so much associated with von Neumann and much of the Pentagon thinking today, is what is called for under these circumstances.

If we keep that in mind, and let that be reflected in our political approach to these questions, we may have a chance.

Will the U.S.A. counter Moscow's undeclared war?

by Our Special Correspondent

When President Ronald Reagan delivered his speech on terrorism to the American Bar Association on July 8, while American citizens aboard TWA's flight 847 were still being held hostage, intelligence specialists and political figures around the world—not least in the Soviet Union—recognized a shift in the official U.S. evaluation of the terrorist threat. The President denounced the terrorist "acts of war" against the United States and its allies, actions "with strategic implications," run by "a core group of radical and totalitarian governments, a new, international version of Murder, Inc." Naming Iran, Libya, North Korea, Cuba, and Nicaragua, as the countries most directly, but not exclusively, involved in the terrorist wave against the United States, Reagan pointed out that all these countries maintain "close relations" with the Soviet Union.

The strategic goal of the terrorists, the President said, is to isolate the United States and smash its influence in the Middle East and other regions, "to disorient the United States, to disrupt or alter our foreign policy, to sow discord between ourselves and our allies, to frighten friendly Third World Nations working with us for peaceful settlements of regional conflicts, and finally, to remove American influence from those areas of the world where are working to bring stable and democratic government."

Whether the United States will counter this terrorist explosion with an effective and ruthless policy, appropriate to such an undeclared state of war, or whether the appeasement demanded by the State Department will prevail, is now the greatest source of global maneuvering and political infighting since the 1945 Yalta agreement. The Soviet Union's agents of influence in the West are trying to engineer a "New Yalta"

deal, to carve the world between the Eastern and Western oligarchies. They are seeking to confine President Reagan to a "crisis management" approach to terrorism, rather than a war-fighting strategy.

For Moscow, this amounts to a modernized version of the Hitler-Stalin Pact, through which Josef Stalin, in his crafty peasant cleverness, bought time to prepare for war.

In January of this year, Marshal Ogarkov enunciated the Soviet strategic gameplan in a speech to troops in East Germany, whose message many top military and strategic analysts in the West still hysterically refuse to comprehend: "The imperialists," he asserted, are preparing to destroy the Soviet Union, and the Soviet Union will take all necessary measures, so that it will *never again* be caught unprepared to fight, as it was in 1938. Ogarkov is the author of a war-winning strategic plan, the first phase of which—use of terrorism as surrogate warfare—is already in effect.

Administration's compromises

During the negotiations to free the American hostages from Lebanon, the Western proponents of the "New Yalta"—Secretary of State George Shultz, NATO Secretary General Lord Carrington, Carrington's former business partner, Henry Kissinger, Geneva negotiator Max Kampelman, Assistant Secretary of State Richard Burt—maneuvered the White House into deadly compromises, which, if continued, will place the United States in exactly the weakened condition of isolation that Reagan described in his July 8 speech.

The compromises evident in political events surrounding the TWA 847 hijacking, and in the President's speech itself, include:

- The omission of Syria from the list of terrorist countries in the President's speech. This was a "payment" to Syrian President Hafez Assad, for the safe delivery of the 39 American hostages—at the very moment that Syria's proxy, the Islamic Jihad terrorist group, was threatening to torture and kill seven other remaining American hostages.

- The appointment of Richard Burt as ambassador to West Germany. Burt is a key proponent of the "New Yalta" appeasement policy.

- The desire of State Department allies in the White House to give away anything, including the Strategic Defense Initiative, in order to achieve "progress" with the Soviets at the Geneva bargaining table.

The Soviet gameplan

With marginal exceptions, international terrorism today is an instrument of policy of the Soviet empire, subsumed under implementation of the currently operational "Ogarkov Plan."

According to Moscow's own doctrine, a pre-war mobilization of the type presently under way in the Soviet empire, is already a state of warfare against the designated principal adversary, the United States. The objective of that war-plan, is to establish Moscow, by approximately 1988, as the capital of a new world-empire, viewed as the successor to the empires of Rome and Byzantium.

The Soviet imperial policy demands: 1) extension of Soviet hegemony to include Iran and the Arab-Israeli Middle East, Western continental Europe, the strategic resources of Africa, and the sub-continent of Asia; 2) the reduction of the United States to a second-rate power, a goal to be facilitated by engulfing U.S. forces in endemic insurgency in Ibero-America; and 3) the expulsion of U.S. influence from the Asiatic Rim.

The proposed "New Yalta" arrangement requires pulling the Federal Republic of Germany out of NATO, by bringing Moscow's accomplice, the Socialist International, to power there. Pulling a still nominally independent West Germany into the Soviet orbit in that way, ensures that all Western Europe also falls rapidly into the Soviet sphere of strategic influence.

Soviet military capabilities are intended either to intimidate the United States and its allies into step-by-step capitulation, or, failing that, to launch thermonuclear blitzkrieg by approximately 1988. To this end, the Soviet empire is now in a state of virtual warfare against the United States. This is the only context in which to understand the escalation of Soviet-steered terrorism.

The terrorist command

The principal forward base for Soviet deployment of terrorism is the Ministry for State Security (MfS) of the German Democratic Republic (East Germany). This capability was developed by the Soviets beginning approximately 1943, and has been shaped around the framework and captured person-

nel of the so-called Brandenburg Division of the Nazi Abwehr and of the foreign-nationalities section of Department VI of Walter Schellenberg's RSHA intelligence service. Bulgaria is otherwise the chief East bloc arm of the KGB in operations related to terrorism.

The principal partner of the MfS in deploying international terrorism is the government of Syria. The relationship between the two is an outgrowth of the Brandenburg Division's operations extending through the Arab world, through Persia, into the Sikh minority in India. The capabilities of the Brandenburg Division and RSHA Department VI in this region, were built by exploiting earlier German foreign ministry and naval intelligence networks there.

The current Soviet level of involvement in international terrorism dates especially from the 1967-69 period, with the rise of Yuri Andropov as chief of the KGB. It was under these auspices that the KGB assumed a growing role in international drug-trafficking through Bulgaria, and into international terrorism through the MfS. The relative status of the MfS among the East bloc services was qualitatively upgraded.

The MfS-Assad axis is the heart of Soviet steered-international terrorism today. Excepting those trails leading to Bulgaria, there is no significant terrorism in the world today which is not deployed under the joint direction of the MfS and the Syrian government.

Iranian and Sikh terrorism are also primarily under MfS-Syrian direction, although the Soviets also have access to Sikh terrorism through corrupted sections of British SIS. Col. Muammar Qaddafi is principally an asset of the MfS, and hosts thousands of East German specialists in Libya, who protect his life and aid in the training of European and other terrorist groups.

Behind cover of surrogates and thick layers of deception, the Basque, Catalan, and other separatist movements, as well as the Red Brigades, Direct Action, and kindred terrorist gangs, are the Soviet Union's assets, controlled chiefly through the MfS and Syria.

The current fight

In the pages which follow, we trace the pattern of terrorism since January of this year, showing conclusively that there is, as President Reagan says, a war against the United States. Even as the hostages returned to their homes, American security services were on red alert in the United States for terrorism that would target Fourth of July festivities.

In Western Europe, hit teams backed by Libya, Iran, and Syria are stalking the enemies of those regimes, and any target—including symbolic targets like U.S. Navy man Robert Stethem, murdered by the TWA hijackers—whose destruction would represent another blow to the United States and its allies.

President Reagan accurately compared the heads of the terrorist nations to the leaders of the "Third Reich"—which should define what kind of countermeasures the United States ought to take.

'Acts of war against the United States'

The following remarks are excerpted from President Reagan's July 8 speech before the American Bar Association, in Washington, D.C.

... My purpose today goes even beyond our concern over the recent outrages in Beirut, El Salvador, or the Air India tragedy, the Narita bombing, or the Jordanian Airlines hijacking. We must look beyond these events, because I feel it is vital not to allow them, as terrible as they are, to obscure an even larger and darker terrorist menace.

There is a temptation to see the terrorist act as simply the erratic work of a small group of fanatics. We make this mistake at great peril; for the attacks on America, her citizens, her allies, and other democratic nations in recent years do form a pattern of terrorism that has strategic implications and political goals. And only by moving our focus from the tactical to the strategic perspective, only by identifying the pattern of terror and those behind it, can we hope to put into force a strategy to deal with it.

So, let us go to the facts. Here is what we know. In recent years, there has been a steady and escalating pattern of terrorist acts against the United States and our allies and Third World nations friendly toward our interests. The number of terrorist acts rose from about 500 in 1983 to over 600 in 1984. There were 305 bombings alone last year—that works out to an average of almost one a day. . . .

Now what do we know about the sources of those attacks and the whole pattern of terrorist assaults in recent years? . . . [President Reagan details the role of five governments in international terrorism.]

Iran, Libya, North Korea, Cuba, Nicaragua—continents away, tens of thousands of miles apart—but the same goals and objectives. I submit to you that the growth in terrorism in recent years results from the increasing involvement of these states in terrorism in every region of the world. This is terrorism that is part of a pattern, the work of a confederation of terrorist states. Most of the terrorists who are kidnaping and murdering American citizens and attacking American installations are being trained, financed, and directly or indirectly controlled by a core group of radical and totalitarian

governments—a new, international version of Murder, Incorporated. And all of these states are united by one, simple, criminal phenomenon—their fanatical hatred of the United States, our people, our way of life, our international stature.

And the strategic purpose behind the terrorism sponsored by these outlaw states is clear: to disorient the United States, to disrupt or alter our foreign policy, to sow discord between ourselves and our allies, to frighten friendly Third World nations working with us for peaceful settlements of regional conflicts, and finally, to remove American influence from those areas of the world where we're working to bring stable and democratic government. In short, to cause us to retreat, retrench, to become "Fortress America." Yes, their real goal is to expel America from the world.

And that is the reason these terrorist nations are arming, training, and supporting attacks against this nation. And that is why we can be clear on one point: These terrorist states are now engaged in acts of war against the government and people of the United States. And under international law, any state which is the victim of acts of war has the right to defend itself. . . .

So the American people are not—I repeat, not—going to tolerate intimidation, terror and outright acts of war against this nation and its people. And we're especially not going to tolerate these attacks from outlaw states run by the strangest collection of misfits, looney tunes and squalid criminal since the advent of the Third Reich. . . .

Now, the question of the Soviet Union's close relationship with almost all of the terrorist states that I have mentioned and the implications of these Soviet ties on bilateral relations with the United States and other democratic nations must be recognized.

With regard to the Soviet Union, there is one matter I cannot let go unaddressed today. During the recent hostage crises in Beirut, 39 Americans were brutally kidnaped; an American sailor was viciously beaten; another American sailor stomped and shot to death; the families and loved ones of these hostages undergo indescribable suffering and a sense of distress, anger and outrage spreading through our nation like a prairie fire. The Soviet Union made some official comments through its government-controlled press. The Soviet government suggested that the United States was not sincerely concerned about this crisis, but that we were, instead, in the grip of—and I use the Soviets' word here—"hysteria." The Soviet Union also charged that the United States was only looking for a—and, again, I use their word—"pretext" for a military—and, again, I use their word—"invasion."

Well now, ladies and gentlemen of the American Bar, there is a non-Soviet word for that kind of talk. It's an extremely useful, time-tested original American word, one with deep roots in our rich agricultural and farming tradition.

We must act against the criminal menace of terrorism with the full weight of the law—both domestic and international. . . .

Soviet-backed terror hits Mideast, Europe

The items below outline the major terrorist incidents in Europe and the Mideast, from January through the hijacking of TWA Flight 847. These are mapped against major diplomatic meetings involving the Soviet Union, Iran, Libya, and Syria. This grid documents the interface of the Islamic fundamentalist terror apparatus with European terrorism, and the Soviet control points for both.

January 1985: The foreign ministers of Iran, Libya, and Syria meet in Teheran to lay the groundwork for a new anti-American strategy. The countries agree to escalate terrorism against the United States and its allies, and to form a unified command.

January (first week): Iranian, Syrian, and Libyan terror networks meet to reorganize unified command. One such meeting takes place in London, chaired by Hojateslalam Hadi Gaafari, the Teheran leader of the Hezbollah, the Party of God. The meeting is attended by "Islamic liberation fighters" from the Gulf and Western Europe. According to Patrick Seale of the British weekly *Observer*, such a gathering could only have been concerned with creating a new "Shia International."

Jan. 15: The London *Times* reveals that military units have been formed in Iran, consisting of up to 1,000 kamikazes. Their aim is "overthrowing the governments of France, England, Germany, Saudi Arabia, and the United Arab Emirates." The report, based on a document from Iran, says that this will be achieved by linking up the kamikazes to the organizations of "local opposition" to these governments, meaning Europe's underground terrorist groups like Direct Action (AD) of France, the Red Army Faction (RAF) of West Germany, or the Red Brigades of Italy. The document states that the final training of the kamikazes will not be complete before the summer; however, there should be "no lull in activities."

Jan. 15: The news agency Agence France Presse receives a joint communiqué from Direct Action, the RAF, and the Belgian Communist Combatant Cells (CCC), announcing the formation of a "political-military front in Western Europe" to attack NATO installations.

Jan. 17: A source reports that 12 Syrians have been spotted traveling between France and West Germany, and have joined

with German and French terror groups, one week before the announced merger of the French Direct Action and the West German RAF.

Jan. 25: French Gen. René Audran is assassinated outside his home near Paris. Audran was a deputy defense minister responsible for classified work between France and West Germany, which sources indicate included aspects relevant to the U.S. Strategic Defense Initiative.

Jan. 29: Libya's JANA news agency reports that Libyan Foreign Minister Dr. Ali-Turayki said before leaving Teheran, where he met with the foreign ministers of Iran and Syria, that "these meetings are only directed against imperialism, Zionism, and reactionary forces allied with it. . . . He pointed out that such meetings will be more and more expanded, in continuous regular manner, in the three countries through conferences, organizations, and different international bodies."

February (first week): Libya's Colonel Qaddafi forms and agrees to finance his first pan-Arab terrorist organization, the Arab Revolutionary Forces. It pledges to "liberate" all Arab territories and confront "American Imperialism."

Feb. 1: German industrialist Ernst Zimmerman, chief executive of the Munich-based MTU weapons-parts firm, is assassinated. Zimmerman, like French General Audran, was working on classified aspects of the Strategic Defense Initiative.

Feb. 6: Numerous international publications, including *Le Figaro* and the *Neue Zürcher Zeitung*, emphasize 1) that the communiqués released by the terrorist organizations responsible for the Audran and Zimmerman hits, employ language and arguments virtually identical to those employed by official Soviet government news outlets, and 2) that virtually all the targets which have been hit by terrorists since the end of December could not have been identified as suitable targets except by professional intelligence services of a major power.

Feb. 19: Libyan news agency JANA announces, "From now on, Libya will give full support to the progressive forces struggling in Europe, such as the Irish Republican Army and the Red Army Faction, and those fighting against the United States government."

Feb. 21: Palestinian terrorist leader Abu Nidal announces that PLO chief Yasser Arafat, Jordan's King Hussein, and South Yemen President Ali Nasser Mohammed are "all condemned to death, as anyone will be, Palestinian or Arab, who wants to negotiate with the Zionists." Abu Nidal has assassinated PLO figures in the past.

March 31: Qaddafi announces the creation of a new National Command of the Arab Revolutionary Forces, a unified military command aimed at striking Western, and especially American, interests worldwide with "suicide commandos." Qaddafi says this before an audience of potential kamikazes from the opposition movements of Egypt, Iraq, Sudan, as well as a few Palestinians and Europeans from Germany, France, Belgium, Italy, and Poland.

End of March: Lebanese Shi'ite Al Amal leader Nabih Berri reveals in London that the Mideast terrorist groups operate under a joint "military command," which, under the leadership of Al Amal, includes the Hezbollah of Sheikh Fadlallah, the Islamic Amal of Hussein Moussavi, the Druze of Walid Jumblatt, warring Sunni militias, the Syrian Popular Party, and the Palestinian dissidents of Abu Musa. The newspapers *Le Monde* and *Libération* of France expose the links between each of these entities and Syrian intelligence services, providing firm evidence that the Shi'ite fundamentalist organization Islamic Jihad and the Lebanese Armed Revolutionary Faction, a left-wing Eastern Orthodox organization, are one and the same.

April 11: A 22-kg bomb explodes in a steakhouse in El Descanso, Spain, killing 18 Spaniards and 15 Americans while injuring 52 others. The restaurant is heavily frequented by U.S. military personnel from the nearby air base at Torrejon de Ardoz. Islamic Jihad, a generic name for Shi'ite terrorists claims responsibility.

April 18: Army Day is celebrated in Teheran. International visitors include Sheikh Mahdi Shamseddin, vice-chairman of the Lebanese Shi'ite Muslim Assembly. Shamseddin met with the Speaker of the Iranian Parliament, Hashemi-Rafsanjani, on April 17, and on April 21, is received by Ayatollah Khomeini.

April 19: A 100-kg bomb of TNT, the largest ever used in Europe, explodes at the NATO Assembly building in Brussels. The FRAP terrorist group takes credit.

April 24: National Day of Celebration of the Revolutionary Guards, the Pasdaran, in Iran.

April 24: The Milan office of ANSA, the Italian news agency, receives two leaflets from the Islamic Jihad warning of attacks in Italy and Spain. The leaflet warns that "deaths will be multiplied a thousand or a million times," until the allies of the United States cease to pay for its attacks against Islamic groups.

May 1: A 13-pound bomb packed in a fire extinguisher is found and dismantled in Bonn, 10 minutes before President Reagan arrives for the Bonn summit of Western leaders.

May (first week): Iran announces that June 14, the last Friday of Ramadan, will be "Jerusalem Day," and indicates that the Islamic world should mark this day for the "reconquest of Jerusalem." Western intelligence reports warn of a possible terror attack on this day—the day that the hijacking of TWA 847 in fact occurred.

May 3: Mahidi Karrubi, the head of the Iranian Martyrs Foundation, leaves for Damascus and Beirut. He dispenses \$65 million to families of fallen terrorists and to finance the logistical infrastructure for terrorist training and operations. Half the money is reportedly disbursed to pro-Khomeini religious leaders in Lebanon—including Hussein Fadlallah, the Shi'ite suicide commando spiritual leader—and the other half to the Iranian ambassador in Damascus.

May 3: Reverend Louis Farrakhan, the leader of the Nation of Islam in the United States, announces that he has received a \$5 million loan from the Islamic Call Society of Libya. U.S. State Department documents have identified the Islamic Call as a front for terrorism. Other sources say Farrakhan may have received up to \$30 million from Qaddafi through secret channels.

May 8: Farrakhan departs for a 30-day international tour that includes Rome, Geneva, and Tripoli. The trip was initiated by terrorist controller Ahmed Ben Bella, the exiled former President of Algeria. Sources indicate that the purpose of the trip is to receive \$30 million from Libya to build a separatist infrastructure for terrorist operations in the United States, purchase of large tracts of land, and promotion of Farrakhan.

May 19: Israel releases several thousand Palestinian and Japanese terrorists from the anti-Arafat faction of the PLO and the Japanese Red Army. Sources indicate that this is part of a deal with Syria to obliterate the Arafat section of the PLO, plunging the Mideast into more violence, overthrowing the governments of Saudi Arabia and Kuwait, and replacing them with "Islamic republics."

May 20: Syrian and Libyan cabinets meet in Damascus. Sources indicate possible reactivation of Abu Nidal network for attacks on Yasser Arafat, King Hussein of Jordan, and President Hosni Mubarak of Egypt.

May 22: Security police in Cairo thwart plans for a bomb attack on the U.S. embassy in Cairo. Intelligence sources indicate Libyan role.

May 25: Islamic Jihad suicide commando rams his car/bomb into the motorcade of Kuwait head of state Sheik Al Ahmed Al-Sabah. Two bodyguards are killed. The Islamic Jihad had

been demanding that Kuwait release 17 of its members from prison.

May 29: Libyan Foreign Minister and terrorist controller Ali Treiki arrives in Damascus.

May 30: Mahidi Karrubi of the Iranian Martyrs Foundation arrives in Damascus and then Beirut for final planning of TWA hijacking. He meets with radical clergy.

May 30: Commander-in-chief of the Libyan Arab Armed Forces, Brigadier Abu Bakr Yunis Jabir, visits Damascus for talks with President Assad and Vice-President Khaddam.

May 31: King Hussein of Jordan cuts short his trip to Washington and flies home, when it is learned that his security force has arrested leaders of a coup plot, including Hasan Ajaj Ubaydat, who had been living in Damascus for the last several years.

Early June: Western security agencies and the General Union of Libyan Students (anti-Qaddafi) report that a team of 5-10 terrorist coordinators has arrived in Europe to prepare a new wave of terrorism in Greece, Italy, and West Germany. They are headed by Yussuf Abu Ehlala and Mohammad Saad. Saad coordinates actions of the Libyan Revolutionary Committees, out of Libyan embassies abroad.

June 2: Iranian delegation flies to Damascus, including: Hassan Ibrahim, director of the office of Ayatollah Montazeri, a member of the Islamic Jihad secret directorate; Deputy Foreign Minister Ali Hamad Baharati; and Ahmed Azizi, head of the Iranian parliamentary foreign affairs committee. They are joined by Ayatollah Karrubi, and deliver a message from Ayatollah Khomeini: Stop the warring between groups and point your guns at the common enemy, the United States.

June 8 or 9: Iranian C-130 Hercules aircraft arrives in Damascus with Mohammed Ali Avi'e, chief of staff of the Pasdaran (Iranian Revolutionary Guards), and Moselem Reza Aghili, the intelligence chief of the Pasdaran. Ali Atwa, the TWA hijacker, is reported to be on the same plane. Avi'e and Aghili are said to be case officers for TWA hijacking.

June 10: Avi'e and Aghili arrive in Baalbek, Lebanon.

June 10: A Jordanian airliner is hijacked to Beirut, as a dry run for the TWA hijacking.

June 11: The Shi'ite Suicide Commando Imam Musa Sadr group blows up the Jordanian airliner when Jordan refuses to meet its demands. The terrorists take seven Jordanian security officials hostage and release all other passengers, exiting from Beirut Airport under Al Amal supervision.

June 11: According to sources, Iran and Libya deploy 23 teams of three to four persons each, for terrorist attacks in Europe and the United States.

June 14: TWA 847 from Athens to Rome/Boston is hijacked by Shi'ite terrorists and flown to Beirut. They demand that Israel release some 700 Lebanese nationals from prison.

June 19: A bomb explodes in a check-in area of Frankfurt Airport, killing 3 and wounding 32.

June 19: Soviet General Secretary Gorbachov holds talks with Syrian President Assad in Moscow. Also in attendance are Foreign Minister Gromyko and Defense Minister Marshal Sokolov of the Soviet Union and Vice President Khaddam, Foreign Minister Faruq al-Shar, Defense Minister Mustafa Tlas, and Jabr al-Kafri, the director of the East European desk of the foreign ministry of Syria. A TASS release hails the growing cooperation—particularly in defense—between Syria and the Soviet Union.

June 19: Moscow radio broadcasts in Persian to Iran note the history of cooperation between the Soviet Union and Iran and the Soviet support for the overthrow of the Shah and the subsequent revolution.

June 20-26: Iranian Speaker of the Parliament Rafsanjani visits Tripoli and Damascus, meeting with Qaddafi and Assad.

June 21: *Pravda* and TASS publish the Statement of the Communist and Workers Parties of Arab Countries, which had met earlier in the month in Beirut. The statement proclaims: "Important victories have been won in Lebanon, from which the Israeli occupiers, and before them American and NATO troops, have been forced to leave. These successes are the result of the struggle by Lebanese patriots, supported by Syria and detachments of the Palestinian resistance and effective Soviet assistance."

June 23: 325 people are killed when Sikh terrorists blow up an Air India plane en route to Bombay from Toronto. Two baggage-handlers are killed when a bomb explodes at Narita Airport, Tokyo. Lal and Ammand Singh, Sikh terrorists wanted in the United States for plotting the assassination of Indian Prime Minister Rajiv Gandhi, are suspects. Sources indicate that the Japanese Red Army and the Kashmir Liberation Front are also involved.

June 23: President Assad of Syria meets with Iranian Speaker of the Parliament Rafsanjani in Damascus. Also in attendance are Foreign Minister Ali Akbar Velayati, Pasdaran Minister Moshen Rafiqdust, Syrian Vice-President Khaddam,

Foreign Minister Faruq Al-Shar, and the Iranian ambassador to Damascus.

June 24: Iran and Libya announce intentions "to establish an army of Jerusalem to liberate Palestine and to form an international Islamic Revolutionary League."

June 24: Teheran Domestic Service radio announces that Rafsanjani has held meetings with religious leaders of Syria, Lebanon, and the Palestinians, including Sheik Muhammed Hussein Fadlallah, the Beirut Shi'ite spiritual leader of the suicide commandos; Sheik Kaftaru, the grand mufti of Syria; and Sheik Sa'id Sha'ban, the leader of the Islamic Unification Movement in Tripoli.

June 25: Radio Teheran announces the formation of a "strategic alliance" with Libya to fight Israel and the United States. Tripoli radio announces that Qaddafi has formed The World Islamic Revolutionary Organization.

June 30: TWA 847 hostages are released, except for seven.

June 30: Lieutenant-General Dimitur Dimitrov, deputy chairman of the Bulgarian State Planning Committee, and Deputy Defense Minister Gen. Doyan Sabis, arrive in Tripoli.

July 1: A spokesman for the Islamic Jihad in Beirut announces that the remaining seven hostages will be tortured to death if President Reagan retaliates. "The hijacking of the American plane has ended with a . . . clear submission by America and Israel to the demands of the fighting hijackers."

July 1: Bombs explode at British Airways, Royal Jordanian Airlines, and TWA offices in Madrid, at Leonardo da Vinci Airport in Rome, and at a Greek seaside resort characterized as a "hangout" for U.S. military personnel.

July 2: *Haaretz* newspaper of Israel reports that "in coordination with Libya and Iran, Syria has completed plans to assassinate King Hussein and PLO leader Arafat as part of a new terror campaign, which would also include additional attacks on U.S. embassies and the seizure of hostages, even if these call for suicide operations. According to intelligence sources in London, the actions will be coordinated by Said al-Qaddafi, chief of Libyan security services; Seyyed Hasemi, Iranian representative and chairman of the Liberation Organizations; and Mohammad Hashemi. Assad has recently conducted several meetings with Rafsanjani, chairman of Iranian Majlis, Foreign Affairs Minister Vellayati, and the minister of the Islamic Revolutionary Guard Corps, Moshen Rafiqdust."

July 8: Syrian Defense Minister Tlas tours Libya, visiting the military academy and meeting with members of the staffs of the armed forces.

Documentation

Senator Helms exposes 'Khomeini connection'

The following are excerpts from a 10-page report by Sen. Jesse Helms (R-N.C.), entitled "The Hijacking of TWA 847: The Khomeini Connection," which was entered into the Congressional Record of June 27, 1985.

Mr. President, please indulge my reviewing, in some detail, the conclusions I have reached: I will include nothing that is mere speculation. There is substantial evidence to support what I am about to say. Much of it, as I said earlier, has been shared with intelligence agencies.

It is no secret that Iran, Syria, and Libya play the major role in encouraging, supporting, and often directing terrorist attacks in order to further their own political objectives. These countries, as state policy, provide training and material assistance to international terrorist groups. They also utilize their own assets to conduct terrorist operations against those whom they consider opponents or adversary states.

Much state-sponsored terrorism has occurred in Lebanon. There, radical Lebanese Shias using the name of "Islamic Jihad" have operated with Iranian support and encouragement from Syrian controlled territory. They were responsible for the suicide bombing attacks against the U.S. and French contingents of the multi-national force in Beirut which resulted in some 557 deaths.

Mr. President, when Khomeini seized power in Iran in February 1979, Iran became a haven for radical terrorist movements for the first time in her history. These movements shifted location from Cairo, which was their center in the 1960s, to Tehran. . . .

Early in 1979, Muhammad Montazeri, who had close ties to the Syrian and the Libyan regimes, organized the office for the promotion of liberation movements in West Tehran. The office provided facilities for representatives of international terrorist organizations. Ayatollah Hosseyn Ali Montazeri, Khomeini's heir apparent, assumed [Muhammad Montazeri's] role.

Simultaneously, the Iranian regime established the Department of Liberation Movements, headed by Mrs. Sudabeh Sadifi, in the Foreign Ministry. Leaders of the Moslem Brotherhood of Egypt and Sudan were invited to Iran under these auspices. . . .

In September 1981, the Supreme Council of Islamic Revolution was formed in Tehran. The organization consists of

some 25 international Middle Eastern terrorist organizations. The Council coordinates the activities of its members and outlines their fundamental strategy and tactics. . . .

The Supreme Council of Islamic Revolution has several committees which are targetted at specific areas of concern. Among those committees are those for: Iraq; the Middle East—Jordan, Syria, and Lebanon; the Persian Gulf—Saudi Arabia, Kuwait, Bahrain, and Qatar; North Africa—Egypt, Sudan, Tunisia, Morocco; Asia—Phillipines, Indonesia, Malaysia, Afghanistan; Western Europe; United States.

[The report includes the names of individuals in the above countries who head the committee and their activities. We include here the section on Europe and the United States—ed.]

Khomeini targets the West

The Committee for Europe has its main center of operations in London with associated centers in Rome and in Bonn. In London, the operations of this committee are based at the Islamic University Center. The head of the center is Ayatollah Shahabadi. The center serves as the collection point for the Khomeini spy network in England and assists in the formulation of operations on behalf of Tehran in Europe.

The center for Khomeini's terrorist operations in Rome is the Embassy of Iran to the Vatican. The Iranian Ambassador's name is Hadi Khosrowshahian. . . . The complex consists of a large building with some 60 rooms and several secret exits to adjoining streets. This complex is the main logistical center for Khomeini's terrorist operations in Western Europe. According to Italian police sources and other informed sources, weapons and explosives are stored in this complex for use by terrorist groups planning attacks against West European targets. More than 100 individuals with diplomatic status live in the complex.

It has been observed that hundreds of trunks with diplomatic seals arrive on Iranian aircraft bound for this terrorist operational center. . . . Italian authorities have reported that hundreds of terrorists from black Africa, Pakistan, India, France, Ireland, Scandinavia, and North America come to the Embassy for orders or protection.

It is known that top officials of the Syrian, Iranian, and Libyan intelligence services meet with some frequency in Rome. For example, last year Gen. Ali Doba of the Syrian Intelligence Service met with a key Khomeini intelligence officer, Gen. Ali Fardost, twice in Rome. Fardost had just flown into Rome from Tripoli, Libya after conferring with key Libyan officials. Shortly after this series of meetings, the Libyan terrorists set into operation the well-known incident in London in which a British policewoman was murdered during the shooting from the windows of the Libyan Embassy of anti-Qadhafi students demonstrating in front of the Embassy.

In Bonn, Germany, the center of Khomeini's operations is located in the Islamic Institute. The director of this institute is Ayatollah Hosseyn Moghadam. In Paris, the key Khomeini

operative is the Chargé d'Affaires in the Iranian Embassy, Mr. Hosseyn Mozezerri, an officer of the Iranian intelligence services. So concerned were the French about Khomeini's operations on French soil that in December 1983, the French Government deported many Khomeini supporters from France. Many of these deportees, together with deportees from West Germany, have gathered in Brussels and are residing there today.

The Committee for North America has its operational centers in both Canada and the United States. Last year, Shayk Nassari was dispatched from Tehran for an extended visit to North America in order to develop the terrorist infrastructure and operations in the United States and Canada. He is an Iraqi by birth but travels on an Iranian passport and plays a central role in coordinating Khomeini's operations for North America.

Within the past two weeks, another Khomeini representative, Shayk Majdeddin Mahalati, was dispatched to visit the

It is no secret that Iran, Syria, and Libya play the major role in encouraging, supporting, and often directing terrorist attacks in order to further their own political objectives. These countries, as state policy, provide training and material assistance to international terrorist groups.

United States as the personal representative of Khomeini for the Moslem religious ceremonies of Ramadan. . . . During the overthrow of the Shah . . . Mahalati was Khomeini's personal representative in the city of Shiraz, where he actively coordinated the executions of hundreds of people, including many high-ranking officers of the Shah's military forces. *One wonders why the Department of State granted a visa to Mahalati, given his well-known terrorist background and his influential position with the Khomeini regime [emphasis added].*

The Khomeini regime operates an extensive system of terrorist indoctrination and training in Iran. Among the terrorist training camps in Iran are the following. At the Tarigh Al Qhods Camp, located near Tehran, Iraqi Al Dawa terrorists are trained. At Manzariyeh Park, close to Khomeini's residence in north Tehran, suicide units are trained militarily and indoctrinated ideologically. The Behestia Camp is located in Karaj. This latter camp specializes in training female terrorists. Close to 300 women terrorists reside at the camp at any given time with ages ranging from 17 to 35. The

women come from all over the Arab world, Pakistan, North America, and Europe. This is the only terrorist training center for women which trains foreigners. . . . On the tarmac [at the terrorist training center at Valkilabad—ed.] are two Iranian aircraft which are used for the instruction of terrorists specializing in hijacking. One aircraft is a 727 and the other is a 707. There is another terrorist training camp with an Airbus aircraft for training purposes located near Shiraz. . . .

[The report reviews significant details proving the coordinating role of Iran, Syria, and Libya, and the restructuring of the terrorist command beginning in January 1985 through the hijacking of TWA 847. We excerpt a few highlights—see grid (article, page 35) for more—ed.]

In January of this year, the Foreign Ministers of Iran, Libya, and Syria met in Tehran to lay the groundwork for a new anti-American strategy. The countries agreed to escalate terrorism against the United States, our interests, and our personnel and citizens on a global scale.

Following this meeting in Tehran, Colonel Qadhafi formally formed and agreed to finance his first pan-Arab terrorist organization called the Organization of Arab Revolutionary Forces. . . .

Mr. President, the outline of the background of the hijacking now begins to commence in a more direct manner. On May 3, a delegation led by Hojjat ol-Eslam Mahidi Karrubi, who is the head of the Iranian Martyrs Foundation, left for Lebanon. . . . On the flight to Damascus were members of the Iranian Foreign Ministry. . . .

The Martyrs Foundation has an extensive war chest in the hundreds of millions of dollars range, possibly more. Its purpose is to give money to the families of fallen terrorists, as well as to finance the logistical infrastructure of terrorist training and operations. On his visit, Karrubi is reported to have distributed 100 million Lebanese pounds to advance the radical Shiite cause in Lebanon. This sum might be equivalent to about \$65 million. . . . Of this sum, half went into Lebanon into the hands of the key pro-Khomeini Lebanese clergy and the other half was left with the Iranian Ambassador at Damascus, Hojjat ol-Eslam Ali Akbar Mohtashemi for distribution as needed. It is unclear whether these funds were delivered as actual money or whether they were delivered in the form of a banking instrument which could be drawn against the Martyrs Foundation accounts held, for example, by the Marine Midland Bank in London or by Credit Suisse in Switzerland.

Among the prominent radical clergy in Lebanon with whom Karrubi met were Shayk Shamseddin, Shayk Hosseyn Fadlallah, Shaykh Ibrahim Amin, Shaykh Fallah Arghedan, and Shaykh Sobhi Tofailli. Shaykh Fadlallah runs the Beirut branch of the Hisbollah, or Party of God. . . .

On May 8, Khomeini received the Information Minister, Mohammad Reyshahri, for a special briefing. Reyshahri, whose original family name is Nik, is the head of the Iranian intelligence service with close ties to the Soviet KGB.

On May 14, Khomeini met with the families of Lebanese

martyrs. . . . It appears that Ali Atwa missed this meeting with Khomeini because he was involved in a rigorous terrorist training program. He was being trained at the Vakilabad terrorist center. . . . After three weeks of intensive training at Vakilabad, Atwa was then sent to the terrorist training center at Manzariyeh. . . .

A new alliance for terror

In all the press coverage on Middle Eastern events in recent days here in the United States, however, an important event has been overlooked, the consequences of which may bring us an intensified attack on the part of the states sponsoring terrorism against these United States. I refer to the treaty of strategic alliance signed in Tripoli, Libya on June 23 between Qadhafi's Libya and Khomeini's Iran. Point No. 6 of the Joint Communique released on June 23 states that—

The two sides declare their intention to establish the army of Jerusalem to liberate Palestine, and to form an international Islamic revolutionary league.

Point No. 10 states that—

The two sides agree to form a joint political and military committee chaired by the Secretary of the People's Committee of the People's Bureau of Foreign Liaison and by the Iranian foreign minister.

Mr. President, this new development, which was set in motion at the foreign ministers' conference in Tehran this past January, bodes ill for the free world. It represents a major escalation of the campaign of the states sponsoring terrorism against the United States. We cannot overlook this significant development and we must place it into the context of the global terrorist activity of these states of which the hijacking of TWA 847 is an example.

Mr. President, I could not more fully agree with Secretary of Defense Weinberger's recent statement that "we are at war" with international terrorism. It is high time that our national strategy be reformulated to deal effectively and decisively with this threat against our nation and our fellow citizens.

Mr. President, the American people are fed up with terrorism in whatever form it has taken and wherever it has occurred. I know that our great Nation has vast capabilities to respond to the threat posed by international terrorism and the states that sponsor it. Should we not exercise these capabilities in a resolute and decisive manner from this day forward, we will only be inviting a never-ending spiral of terrorist activity against ourselves.

Mr. President, the time for rhetoric has passed. The patience of the American people has been exhausted. We have reached the limit—as President Reagan has so accurately stated. It is time to recur to the traditions of our ancestors who, when the pen failed, took up the sword in order to defend and secure their Liberty.

Sikhs and Shi'ites map terror offensive

by Joseph Brewda

One thousand representatives of international terrorist groups, primarily Islamic fundamentalists, gathered at the University of Toronto July 4-7, to plan terrorist bombings in the United States and elsewhere. The conference brought together representatives of the Shi'ite fanatics who hijacked TWA's Flight 847 on June 14, the Sikh separatists who bombed Air India's Flight 182 on June 23, and two Afghani Islamic fundamentalist guerrilla groups.

Among the key attendees at the conference, sponsored by the "Islamic Circle of North America," were Abdul Al-mott'al Jabri, a top leader of the Muslim Brotherhood in Egypt; Garuhar Ur Rahman, leader of the fundamentalist Jamaat-e-Islami parliamentary faction of the Pakistani National Assembly; Prof. Burhanuddin Rabbani, the leader of the Jamaat-e-Islami Afghan guerrilla organization. Among the Sikh representatives at the informal meetings held around the official conference presentations was Kuldeep Singh Sodhi, the leader of the so-called Khalistan government-in-exile in Toronto.

International terrorism—irrespective of the ideological motivation of the individual assassin or sect—is controlled by the Warsaw Pact intelligence services, in cahoots with Anglo-Swiss oligarchical factions in the West. The conference participants at the Toronto meeting are themselves primarily under the control of the Iranian intelligence (Savama) subdivision of the Soviet military command.

Among the coordinating figures of the Toronto gathering was Dr. Kalim Siddiqi, the director of the Muslim Research and Planning Institute of London, a Pakistani in the pay of Iran. Siddiqi was a disciple of Soviet Politburo member Geidar Aliyev in the use of systems analysis in Muslim Russia, and a visitor to the Soviet intelligence center at the university of Tashkent. Siddiqi was a top case officer in the overthrow of the Shah of Iran and has since coordinated Iranian terrorist networks internationally. He is known to be planning operations against the Pakistan government. In December 1984, Siddiqi met in London with Prof. Richard Cottam of the University of Pittsburgh, on the subject of using terrorism to dismember India. Cottam had been one of Siddiqi's closest

co-workers in engineering the overthrow of the Shah.

Since the Siddiqi-Cottam meeting, the Iranian terrorists have become more closely tied to the Sikh separatist apparatus, centered in London, Toronto, and Vancouver. For example, Crescent International, the Toronto-based Savama North American coordinating arm led by Siddiqi, held a meeting with representatives of the Sikh Student Federation (SSF) on May 27. That meeting is believed to have been preparatory to the June 23, SSF bombing of the Air India flight over Ireland and the Tokyo airport bombing, both of which occurred because of baggage placed on flights outbound from Toronto.

Among the themes that conference coordinator Ghulam Malik stressed at the July 4 gathering was that Muslims and Sikhs share a common concern in battling the Indian government, which he characterized as "repressive." Intelligence analysts expect that Sikh bombings in the United States, in coordination with Iranian networks, will be one outcome of the conference.

The liaison between Crescent International and the Sikh terror apparatus is believed to be coordinated by Prof. Mohammed Ayub of the University of Toronto, Toronto- and New York-based intelligence operative Said Zafar, and *Crescent* editors Latif Oviassi and Zafir Bangash.

Ayub's Sikh counterparts include Balbir Singh Nijjar, Canadian leader of the Sikh fundamentalist group Akhand Kirtami Jathi (AKJ); Kuldeep Singh Sodi, leader of the Khalistan "government-in-exile"; and Prof. Uday Singh of Sudbury, Ontario. According to Indian sources, the Toronto-based Nijjar maintains a pool of Sikh assassins at Singh farms, in Mississauga, Ontario, which was drawn from to bomb the Air India plane. Nijjar's and Sodi's close associate Gudip Singh Nigra, is known to have attempted to recruit assassins of former Prime Minister Indira Gandhi.

The Western collaborators

While the Sikh and Islamic fundamentalists gathered at Toronto plan terrorist actions against the United States under Iranian command, fools and traitors within U.S. and Canadian intelligence services are *supporting* their activities. The Afghan guerrilla movements present, for example, despite their support for Ayatollah Khomeini, receive the financial assistance and support of Lt.-Gen. (ret.) Danny Graham's Committee for a Free Afghanistan (CFA).

The CFA, directed by Britain's Lord Nicholas Bethell, maintains that the Afghan fundamentalists and Sikh separatists are U.S. and NATO assets! Arms and funds are smuggled to Khomeini-linked Afghan rebels, and are also rerouted to Sikh assassins. The Berkeley, California-based, Iranian-linked Hamid Algar, one of the coordinators of the Toronto conference, has been a decades-long collaborator of Lord Bethell. Lord Bethell is a leading sponsor of Sikh separatist leader Jagjit Singh Chauhan, who has boasted of his group's role in the assassination of Indira Gandhi, and threatened that the same fate awaits her son, Prime Minister Rajiv Gandhi.

Mexico's PAN party crushed at polls, prepares violence

by Timothy Rush

"Shed blood for democracy!" cried the speaker. The 20,000 in the demonstration roared their approval. The speaker was Luis J. Prieto of the National Action Party (PAN), the place, the central plaza of Monterrey, capital of the PAN stronghold state of Nuevo León. As the roar died down, Prieto ripped into the ruling Institutional Revolutionary Party (PRI): "The PRIistas are an inferior race because they are corrupt; we are a superior race, the race of the new political revolution. The moment for sacrifice has arrived."

The mob began to move toward the city hall. They only turned back when confronted by Mexican soldiers positioned on the steps, guns held in firing position.

This kind of scene has been repeated across northern Mexico in the days since Mexico's mid-term elections on July 7. Added to the violence is a new level of alliance between the PAN—identified in U.S. intelligence documents dating back to World War II as a Nazi political formation—and three parties of the Moscow-run revolutionary left, headed by the Unified Socialist Party of Mexico (formerly Mexican Communist Party). Those three terrorist-linked parties have begun to circulate a PAN petition for annulment of the elections, and have charted a campaign for 335,000 signatures with PAN leaders.

The PAN suffered an overwhelming electoral defeat. Though massively boosted in the U.S. Establishment press as a "conservative, pro-business" alternative to the PRI, the PAN failed to get more than 25% of the votes for governor in Nuevo León or Sonora, its other stronghold state.

But, as *EIR* has consistently warned, for the Nazi-communist PAN, elections are only a screen for insurrection in Mexico, and violence along the border.

U.S. interests boosting the PAN were everywhere to be seen during the elections. Hundreds of reporters, taking their cues from such sources as Henry Kissinger's Center for Stra-

tegic and International Studies (CSIS) in Georgetown, swarmed over the northern areas, acting as a PAN booster club. In one particularly flagrant case, two British reporters interrupted a meeting of the Hermosillo, Sonora, election commission the night before voting, to demand investigation of PAN charges of fraud.

Mexican reporters in Ciudad Juárez spotted FBI agents functioning in the PAN's campaign apparatus there, across the river from El Paso, Texas. The U.S. State Department beefed up all its consular facilities to help the PAN in the northern areas, and sent one new consul into Hermosillo for the six weeks of the election period.

The Soviets, the beneficiaries of these preparations for PAN insurrection—the Kissinger gameplan calls for withdrawing U.S. troops from Europe in order to send them to the U.S.-Mexico border—had their own eyes and ears on the scene. Mexican authorities reported that an inordinate number of TASS reporters suddenly showed up to monitor the progress of their asset.

Nationalist mobilization

What was not anticipated by these gamemasters was the mobilization undertaken by nationalist forces in the last days of the campaign. This mobilization broke the PAN momentum and deprived the party of credible victories, since it was clear even to that part of the population that believed the PAN's charges of vote fraud, that the PRI had in fact won the key races.

As a result of this mobilization, the government withstood the pressure of Kissinger circles abroad, and quislings inside the government at home, who demanded that it hand at least one key race over to the PAN "to avoid violence." If the government had shown such weakness, it would have been hit with violence anyway—and would have lost the

moral and political resources to deal with it.

The key figure in the mobilization was 84-year old labor chief Fidel Velázquez, second only to President Miguel de la Madrid in terms of power within the party. "The moment of trial has come," he told textile workers on July 2, and repeated the message in daily national television and other media appearances up to election day.

Velázquez and other PRI leaders installed hot-line phones to keep abreast of any provocations launched by the PAN. All police units in the country were placed under military control for election day. Army patrols were stepped up in contested border areas.

The coalition which had inspired the PRI rebound—the Mexican Labor Party (PLM) and the Authentic Party of the Mexican Revolution (PARM)—went for the PAN's jugular during the last weeks of the campaign. The PLM's book, *The PAN: Moscow's Terrorists in Mexico*, was in the hands of the highest levels of Mexican and U.S. policymakers within a few hours of its release on June 28. The book detailed the involvement of Kissinger-allied elements of the U.S. government—including the FBI and State Department—in a scenario to "Iranize" Mexico.

Velázquez picked up this theme when, the day after the election, he urged his party to keep up its mobilization. The PAN "is a traitor to the nation, and seeks the solution of Mexico's problems abroad," he charged. Velázquez threatened business factions which had helped the PAN. Should they create any trouble, "the labor movement will have to act as it knows how to. . . . I don't believe that these industrial gentlemen will be able to take an indefinite general strike."

The question now, is whether the Mexican government can rally the country to repel the new round of financial warfare which Anglo-American banking and financial interests unleashed against the country to coincide with the PAN upsurge. (See *Dateline Mexico*, p. 18.)

The PAN and its sponsors are counting on this rapidly worsening economic situation, led by pressures for a new peso devaluation and a collapsed world oil market, to fan the flames of PAN violence. The agenda for violence includes the period around the announcement of official election results, on July 14, and the inauguration of PRI victors, varying from one to two months later depending on locale. The PAN's previous highpoint of violence, the burning of the Piedras Negras City Hall on Dec. 30, 1984, in which one person was killed, occurred not on the day of local voting, but on the day the PRI victor took office.

'Plan Madero'

"The most intense phase of [the PAN's] activities has been programmed not for before or during the elections, but for after the elections, even after the election is certified," wrote columnist Carlos Moncada on July 8. The PAN is "less interested in winning the elections than in sowing the poison of agitation in the public's mood." This strategy conforms to a secret "Plan Madero" adopted by the PAN leadership in a

meeting with business interests in Monterrey two months earlier.

A "technical" side to the Plan Madero, involving deployment of goons to disrupt voting and intimidate voters and election officials, was leaked into the Sonora press just before the elections. (See *Documentation*.)

But there is an "ideological" side as well. The plan's name refers to Francisco I. Madero, first Mexican President of the Revolution (1910-1917), and uncle of current PAN president Pablo Emilio Madero. Madero initiated the phase of the Mexican Revolution in which, under guise of "democratization," Mexico became the playground of foreign interests, and rapidly became ungovernable. This side of the PAN program is steered from such places as CSIS and the new "dirty tricks" arm of Danny Graham's High Frontier apparatus, the "Council for Democracy in the Americas."

On voting day, much of the PAN violence conformed closely to guidelines issued in the portions of the Plan Madero which had reached the public.

The course of events in the two Sonoran border towns of San Luis Río Colorado and Agua Prieta, the first with a PAN city government for three years, and the second for six, show what kind of beachhead for insurrection would have been handed the PAN, had the government ceded either of the two governorships demanded by the PAN's international sponsors—Sonora and Nuevo León.

In San Luis, PAN stormtroopers went into action early in the day. When army units arrested Fausto Ochoa, the son of the mayor, for acts of vandalism, a PAN mob of 2,000 went on a rampage, setting fire to five police cars and the city hall. Police and army units dispersed the crowd with tear gas. There were 60 arrests; 20 people were injured. In all, 10 of the 40 polling sites in the city were demolished.

San Luis is of special importance as a center of PAN drug- and arms-running operations. Just one week before the elections, the busting of a large-scale heroin ring in Mexico's southeast led investigators to San Luis as the "over-the-border" outlet. And only two days before the elections, former PAN member Roberto Estrada Valera revealed that the PAN in San Luis had purchased firearms from U.S. suppliers, to equip what he called "shock groups" for action on election day.

PAN state president Carlos Amaya, crony of drug-tainted PAN gubernatorial failure Adalberto Rosas, immediately called for Amnesty International to investigate charges that 20 members in San Luis had been tortured by security forces.

In Agua Prieta, several hundred miles to the east, the PAN blocked the border crossing with burning furniture and old tires on the morning of voting, and then staged a dramatic withdrawal from the elections mid-day, to protest what they alleged were widespread voting irregularities. After this show of force, the PAN militants turned "quiet and secretive," according to *EIR* sources in Douglas, Arizona. The sources say the PAN is now carefully shielding its plans from both Mexican and U.S. government informants.

'Mexican stability may be short-lived'

Excerpts from the Center for Strategic and International Studies' "Mexican Midterm Elections Report No. 2," dated June 26, 1985, and written by M. Delal Baer.

. . . [I]t is considered possible that the PAN might win a gubernatorial position in Sonora or Nuevo Leon. The state of Sonora, in which PAN support is strong and the charismatic PAN candidate Adalberto Rosas is running, is the more likely of the two. . . . Such a triumph would represent the first time an opposition party has ever controlled a governorship. Modest opposition victories of 10 or 20 Congressional plurality districts are also possible and would represent a symbolically important departure from the norm. . . .

Should the opposition win a few key races, pressure to open up the system will be relieved. However, should the opposition lose critical races, or feel (correctly or incorrectly) that victories in critical races were thwarted, then the post-election environment, particularly in the northern regions, could become highly sensitized and prone to violence.

The PAN . . . is a conservative party, appealing to a business and middle class constituency located especially in urban areas and in the north of Mexico. . . .

. . . If opposition parties fail to make a significant gain, it is uncertain whether they will be willing to return to the more limited role of pressure group. *The immediate post-election environment might be explosive, especially in the northern regions.* [Emphasis added]

The Council for Democracy in the Americas, a front-group of Gen. Daniel Graham's "High Frontier" operation in Washington D.C., attacked the PRI and Mexico's institutions in a five-page memo distributed in early June, called "Mexico's Dominant Party, PRI, fights to Hold Power in July 7 Election." Excerpts follow:

On Sunday, July 7, Mexico will hold midterm elections for 400 members of its national chamber of deputies, seven gubernatorial seats and an array of state and municipal posts.

These elections represent a crucial political crossroad for Mexico, because for the first time in 55 years the ruling PRI is facing some real competition at the polls.

In recent months, the center-right opposition PAN has been capturing blocks of voters impatient with government corruption and continued economic hardship due to debt-related government austerity programs. . . .

Until now, PRI's (and Mexico's) stability has been based on rigid party control on all levels and in all sectors of society. *This control is not one of cooperation for the common good, but one based on graft, patronage and fear. It is a control easily unraveled.* . . .

PRI is now confident that with the measures it has already implemented coupled with its "traditional" methods of manipulating election results, it will take the elections and keep control of the country. PAN candidates, however, have warned that voters will not tolerate election fraud or strong-arm tactics and will respond with violence if winning opposition candidates are kept from office.

Considering the repeated PAN protests in the northern state of Coahuila following charges of election fraud in December, these warnings must be taken seriously. To keep the peace and regain a degree of stability, the PRI must reform and democratize itself and the government, allowing domestic discontent a legitimate means of expression. If not, PRI-imposed stability may be short-lived.

On July 4, the Mexico City daily El Nacional published a summary of the PAN's secret guide to insurrection, "Plan Madero," as it had been originally leaked in three installments in El Sonorenses of Hermosillo, Sonora. The following excerpts are taken from the El Nacional coverage.

According to this [Plan Madero], on July 7 the PAN would carry out intimidation of some of the presidents of local voting precincts, and of their families, with use of a "hammer" to attack at the moment of voting. . . . The first point of the Plan, designated "A," recommends that the PAN's poll watchers arrive equipped with . . . hammer and nail in case there is no hole punch [to punch voting cards], seeking to keep the hammer . . . if there is violence.

Point "B" specifies . . . that there will be strategic shock groups, designated "citizens" and "reinforcements," to intimidate voters and voting officials. . . .

Point "C" indicates that this group will try to trigger repugnance for the PRI, by shouting to the voters that the tricolor party [the PRI] is committing fraud.

Point "D" calls for the formation of active and violent groups for proselytizing . . . which will be approximately 60 meters away from each voting site. . . .

Point "E" indicates that in case of disturbances, [these] groups should violently take possession of the ballot boxes, seeking to push people, women, children, etc., in actions for which they should immediately hold the PRI to blame.

In Soviet Russia, a wartime political leadership is now in the making

by Konstantin George

In the last week of June, the Soviet Union conducted global naval maneuvers which featured a mass deployment with over 24 missile and attack submarines into the Atlantic, including at least 20 nuclear-powered submarines, with additional submarine units simultaneously deployed in the Pacific Ocean.

One week later, on July 2, Soviet TV, in its coverage of the Supreme Soviet session, focused on a smiling Marshal Nikolai Ogarkov, the "brains" of the Soviet War Plan, and wartime Commander in Chief of all Soviet forces deployed against the United States and its NATO allies.

If these signals of Soviet war intentions were not sufficient, Soviet Communist Party chief Mikhail Gorbachov added a blunt warning that the Soviets would quit even the pretense of negotiating at Geneva, unless the United States submitted to their ultimatum and dropped the Strategic Defense Initiative, the new defensive system which would make nuclear missiles "impotent and obsolete." The message was released through U.S.A.-Canada Institute head Georgii Arbatov, who wrote in *Pravda* on July 1: "The Geneva arms control talks will be the first victim of the American SDI."

Nuclear missiles off the U.S. shore

Most of the 24-plus submarines operating in the Atlantic, plus an unspecified number in the Pacific, stationed themselves off the U.S. coast, and simulated a thermonuclear "Pin Down" barrage over U.S. missile sites, and what is called a "strategic decapitation" barrage against Washington, D.C. and other military-strategic command centers.

The "Pin Down" barrage—for which the United States would have only 5-10 minutes' warning—is a crucial feature of the first hour of the maximum option of the "Ogarkov Plan" (the Soviet plan to wage and win a nuclear war, worked out by a team of top military figures under the guidance of Marshal Ogarkov, who, since September 1984, has been entrusted with direction of the Soviet military in a war with the United States and NATO). This would be an all-out assault, kicked off with a surprise, thermonuclear first strike, knocking out nearly all U.S. and NATO military, command, and logistical facilities. Its most crucial function would be to eliminate as many missiles of the U.S. retaliatory strike force

as possible, before they could be launched against Soviet targets. The "Pin Down" barrage is meant to prevent U.S. missiles from being fired till some 15 minutes later, when the precision Soviet ICBMs arrive and destroy the missile silos.

The submarine force off the U.S. Atlantic Coast consisted of nuclear-powered nuclear ballistic missile submarines of the Delta I and II class, and the earlier Yankee class, since refitted with 3,000 km range nuclear cruise missiles. In addition there were 6-8 Victor III class nuclear-attack submarines. These Victor III submarines are no longer simple "hunter killer" submarines whose only function is to hunt and destroy U.S. subs, but since a June 1983 re-equipment program launched by Yuri Andropov, the 18 Victor III Class submarines in the Soviet Fleet (10 with the Atlantic Fleet, and 8 with the Pacific Fleet) have been outfitted with 3,000 km range nuclear cruise missiles.

By land and by sea

Starting in late spring, the Russian forces have begun rehearsing, with increased intensity, the land and sea-based components of the Ogarkov Plan maximum option, surprise attack. From May 26-May 31, Soviet-Czech maneuvers in Czechoslovakia near the West German border, were notable for having begun with no prior detectable signs that anything would occur. This type of "instant maneuver," out of the barracks and rolling westward, will be the hallmark of Soviet maneuvers to come, as the Soviet forces in East Germany and Eastern Europe perfect the execution of a total surprise attack.

One month later, in the final week of June, some 60,000 Soviet, Hungarian, and Czech ground troops and air force units were engaged in the annual "Danube" series in western Hungary, very close to the Austrian border.

The maneuvers in Czechoslovakia and Hungary were only the beginning of a round of big, summer maneuvers, which, judging from those which have already occurred, will feature many new, and nasty, surprises.

One such surprise occurred on June 4, a one-day exercise involving some 500 Soviet combat aircraft flying over 1,000 sorties. For the first time ever, units of naval aviation Backfire, Bear, and Badger bombers, including Backfires and

Bears armed with the recently installed long-range AS-15 air-launched cruise missile, based in the Baltic States of the U.S.S.R., flew west en masse over the Baltic, then, over the East German island of Rügen, turned sharply to the southeast, and landed at air bases in East Germany and Poland. Defense-related sources insist that the maneuver was not simply an "air defense maneuver" as reported in the press, but, was an exercise designed to ensure "attainment of air supremacy" in a war. Other observers, cited recently in *Die Welt*, are worried that such flights Soviet bombers westward over the Baltic might become an exercise pattern, and lull NATO to sleep with the new "routine." Then, one day, they will fly westward—and not turn back.

Soviet, East German, and Czech ground and air forces are in the midst of big maneuvers in East Germany. An abnormally high percentage of East German territory has been declared off limits to the members of the U.S., French, and British, Allied Military Missions in Potsdam. In the Soviet Union, maneuvers involving 25-50,000 troops plus air units, began on July 6 in the Carpathian Military District. On July 16, large ground and air maneuvers began in the Trans-Caucasian Military District, in Soviet Georgia, and Azerbaijan. They will culminate near the borders of NATO member, Turkey, and also Iran.

Gorbachov inspects the troops

Gorbachov is going out of his way to publicize himself as the General Secretary who is working with and for the military, and for war production. He began on July 11, a publicized tour of the Byelorussian Military District in the western U.S.S.R., bordering on Poland and Lithuania. The Byelorussian Military District contains by far the largest ground and air forces of any Military District in the Western Soviet, if not indeed in the entire Soviet Union, excepting the Far East Military District.

The Commander in Chief of Soviet Ground Forces, General of the Army Ivanovskii, was, from early 1981 till recently, Commander of the Byelorussian District. Gorbachov was accompanied on the tour by Defense Minister, Marshal Sergei Sokolov, and Lev Zaikov, Leningrad Party Chief who succeeded the now disgraced Grigori Romanov. This trip thus also shows Gorbachov flaunting his purge triumph at the July 1 Central Committee Plenum, which directly preceded the convening of the Supreme Soviet.

On July 1, a Central Committee plenum convened, chaired by Mikhail Gorbachov. The plenum was used by Gorbachov to advance his consolidation of power, and prepare for an accelerated war economy drive. Gorbachov's personal rival, Politburo member and former Leningrad Party boss Grigori Romanov, was ousted from the Politburo and the Secretariat, "in connection with retirement on health grounds"—even though Romanov is only 62. Gorbachov also kicked Andrei Gromyko, Soviet foreign minister since 1957, upstairs, by naming him President of the Supreme Soviet.

Threat to Egypt is

by Thierry Lalevée

U.S. failure to strike back at the terrorist command-centers behind the Shi'ite hijackers of TWA Flight 847 on June 14 has created a dynamic of disasters in the entire Middle East region. The root of the dangers now looming is the miscalculation that when the U.S. State Department and President Reagan praised Syrian President Hafez al Assad for being "helpful" in the crisis, this didn't imply concessions beyond a de facto recognition of Syrian sovereignty over Lebanon.

Can there be any doubt that guarantees given to Syria, also extend to Libya and Iran? If Syria didn't specify this clearly, Moscow did, in no uncertain terms! Assad has been crowned Melekh (King) Assad, but so have his friends, Muammar Qaddafi and Ayatollah Khomeini.

The results are all too visible.

The first victim, of course, has been the Lebanese nation which has been handed over to Syria, not only politically, but economically. What is the meaning of the resolution declaring an economic and military boycott against Lebanon, voted by the U.S. Congress on July 9, except that Syria and Iran will become the main economic and financial powers over a bankrupt Lebanese state? As Sheikh Abbas Moussavi of the Hezbollahi declared on July 10 to AFP: "We are getting our money from Iran"!

The second victim, has been the peace initiative, launched by Saudi King Fahd and Egyptian President Mubarak, built around the Feb. 11 agreement between Jordan's King Hussein and PLO Chairman Yasser Arafat, permitting Jordan to represent the Palestinians in negotiations with Israel. But U.S. Undersecretary Richard Murphy, the partisan of a pro-Syrian policy from the outset, has already forgotten that he was to visit Amman for a meeting with a Jordanian-Palestinian delegation.

Jordan and the PLO are being besieged politically and militarily. Syria launched an unsuccessful coup attempt against King Hussein in mid-June, and Egypt had to send troops to the Jordanian border with Syria at the end of June, to act as deterrent. On July 8, the remaining Palestinian forces loyal to Arafat, the Badr Brigade in the Bekaa Valley, were militarily expelled from Lebanon by Syria.

Yet, this is only the beginning of things to come, as the Soviet strategic alliance of Syria, Libya, and Iran grows

growing fast

stronger. Algeria and Tunisia confront a new wave of fundamentalist unrest sponsored by Libya. However, few overlook the fact that the real target is Egypt, and President Mubarak's assassination is a real possibility. It is known that Syria has already deployed hit teams to assassinate Hussein and Arafat.

Egypt itself faces two interconnected crises: a growing fundamentalist movement at home, and the July 8 signing of a defense treaty between its immediate neighbors to the west and south, Sudan and Libya. Such a treaty followed months of deteriorating relations between the Sudan and Egypt, as Cairo was blamed for supporting the overthrown Numayri regime. A quick visit by President Mubarak and his ministers to Khartoum in early June did not resolve such issues as Numayri's presence in Cairo.

Though the Sudanese defense minister, Maj.-Gen. Mohammed Osman Abdullah, announced that the treaty did not imply a "strategic alliance" with Libya, there can be few illusions. Admittedly, with more than 4 million of its inhabitants starving to death and no significant financial help, even from the United States, it didn't require much to convince even the most pro-Western political circles in the country to accept a few million dollars from Libya. But the week-long Abdullah visit to Libya had nothing to do with the fate of those affected by drought and famine. The major-general is reported to have visited all of Libya's military camps, including terrorist training centers, and was reported "positively impressed." The former spokesman for the "Young Officer" movement in the days which preceded the coup of April 6, has now set in motion the dynamic leading into a new coup of which he will be the chief organizer. Then, the defense cooperation treaty will be officially acknowledged as a "strategic alliance."

Plotting such a coup are some 400 former Sudanese opposition activists, led by one "Zakaria," who recently clandestinely re-entered Sudan after ten years of exile in Libya. The core figures could be seen on July 4, leading a 40,000-strong demonstration against the Egyptian embassy in Khartoum, demanding the extradition of Gaafar Numayri. According to intelligence sources, such activists can be expected to follow Moscow's marching orders, which were trans-

mitted at the end of June in a series of articles by *Le Monde's* Eric Rouleau: Takeover of the Egyptian embassy and hold diplomats hostage in exchange for Numayri's extradition.

War with Libya?

In the event, should Egypt try to intervene in Sudan militarily, Libya would react. Qaddafi makes no secret of the fact that he is seeking a direct confrontation with Egypt. On July 8, JANA press agency announced that Libya had decided to expel all Egyptian workers from Libya. Though the exact number is unknown, this may run into the hundreds of thousands and would create an incredible burden on the unstable Egyptian economy. Then on July 9, Qaddafi called on "all Arab youth to burn the bridge between Israel and Egypt." These calls accompany a campaign of denunciation of Mubarak in the Libyan media.

On July 10, Mubarak refused to receive Qaddafi's special envoy, Ahmed Qaddafadam. Qaddafadam was then in Paris meeting with French Foreign Minister Roland Dumas, who himself left for Cairo on July 11. Dumas, who on June 30 praised Franco-Syrian relations, told Mubarak that Paris would not support a peace initiative which lacks "the backing of Moscow or Damascus."

If such a confrontation were to occur—on a scale of 10, the likelihood is 6 right now, say insiders—there is little doubt that the Egyptian army could defeat Libya easily. However, intelligence analysts are concerned that neither Moscow nor Washington would allow Cairo to do so. It is not forgotten that Washington, under President Carter, prevented Anwar al Sadat from reaching Tripoli in the Egyptian-Libyan conflict of 1977. Moscow had given Carter an ultimatum.

Besides, a military crisis between Egypt and Sudan is bound to unleash a crisis within Egypt. The mushrooming fundamentalist groups gathered around the obscure Sheikh Hafez Salamah of the Mosk Nur in Cairo are waiting for this opportunity. Challenging the government authorities, Salamah has been holding political rallies one after another, with 5-6,000 disciples each week. Playing on the visible weakness of the government, he has demanded the immediate implementation of Islamic Law (*Shariah*), which would have been unthinkable a few years ago, but became an issue after the *Shariah's* implementation in Sudan under Numayri.

Though the ability of fanatics like Salamah to build a mass movement is questionable, by his extremism and fanaticism, Salamah is driving large parts of the Egyptian population, as well as important layers of the state, to seek refuge in what is seen as a more moderate and stable force, the official Muslim Brotherhood, which has two members of parliament. This organization, also fundamentalist and tightly linked to the Iranian revolution, has special attraction for many members of the army, it has been reported. There can be no doubt that this is the ultimate aim of Salamah's antics and bodes ill for Egypt's future, whether or not there is a confrontation with Libya.

Guillaume spy scandal reopened

Airing the scandal that toppled Brandt in 1974 may mean a counteroffensive against the "decouplers."

The massive diplomatic activity of appeasers into the East bloc is beginning to pose a threat to the Federal Republic of Germany. Especially the opposition Social Democrats (SPD), whose contacts with the East German Socialists (SED) are encouraged by Moscow and the European Desk of the U.S. State Department alike, have been acting as if the government of Christian Democratic Chancellor Kohl didn't exist.

In early June, the SPD executive sent a high-level delegation to East Berlin, to draft a proposal for a treaty banning chemical weapons in a joint working group with the SED. Bonn Foreign Minister Hans-Dietrich Genscher and the State Department were consulted on that meeting—and rumors had it that something beyond chemical weapons was discussed. Two days after the delegation left East Berlin, Richard Burt and Thomas Niles of the State Department, and John Kornblum (formerly at Burt's European Desk, now head of the U.S. mission in West Berlin) traded four top Eastern spies for 22 less important Western spies on Glienicke Bridge in Berlin.

One week later, the SPD and the SED held a press briefing at the Federal Press Building in Bonn, to present their draft proposal for a ban on chemical weapons. What made this press briefing historic was the fact that the SED had sent *Hermann Axen*, its Politburo member in charge of subversive contacts in the West.

A couple of days later, SPD chairman Willy Brandt announced an upcoming visit to East Germany. The

aim of this trip, as he said, should be "to revive the dialogue with the East . . . which has been put asleep by the current Bonn government."

Brandt's announcement seemed to have roused some conservatives in Bonn. Several of Kohl's top spokesmen told the media, "These SPD-SED contacts undermine the official position of the government and the republic." Next, a three-part series was run by the daily, *Die Welt*, on the case of East Germany's top spy, Günter Guillaume, whose exposure toppled the German chancellor in April 1974. The chancellor forced to resign was none other than Willy Brandt: Guillaume had been his personal aide from January 1970 to April 1974.

Günter Guillaume, released from his West German prison in November 1981, now lives in East Germany. He was exchanged in the same way the four spies were traded by Richard Burt on June 12, on the same Glienicke Bridge. But even more interesting, *Die Welt* revealed that Guillaume has not retired from intelligence, but still works for the SED executive as an expert on the SPD and on Willy Brandt—and is involved in the preparations for Brandt's visit to the G.D.R.!

Die Welt, West Germany's leading newspaper, took this as the starting point for reopening the dossiers on the 1974 Guillaume affair. What is striking is that Guillaume's agent background was known in the West before he emigrated to West Germany in 1956. His files were known also in January 1970, when he applied for the

job of Chancellor Brandt's personal aide, but the files were not used. The Bonn interior ministry, which is in charge of the intelligence services and failed to act, was headed then by Hans-Dietrich Genscher, currently foreign minister under Kohl. Guillaume got security clearance on Jan. 28, 1970, from the head of the Chancellery, the same Horst Ehmke who is now one of the foremost theoreticians of the SPD-SED rapprochement, and for the economic, military, and political decoupling of Europe from the United States.

Guillaume's cover was blown in April 1974; Brandt had to resign; and Chancellor Helmut Schmidt (SPD) took over. But the West German protagonists of the Guillaume affair were not hurt. Brandt remained national chairman of the SPD, Genscher took over the foreign ministry, and Ehmke became one of the SPD's main foreign policy spokesmen. In September 1982, SPD chairman Brandt withdrew support from Schmidt, and Foreign Minister Genscher walked out of the coalition, toppling Schmidt on Oct. 1, 1982. Chancellor Helmut Kohl (CDU) was installed, and Genscher kept the foreign ministry.

Now, Brandt and Genscher are exchanging political overtures, and publicly assuring each other of common views against the U.S. Strategic Defense Initiative and Chancellor Kohl. Everybody in Bonn thinks that the toppling of Kohl is at the top of their political agenda.

But more revelations on the intelligence webs of the Guillaume affair will come out. One of the sources who provided material to *Die Welt's* exposé told *EIR*: "There are certain aspects of the whole Guillaume case which have not even been made public yet. Publishing facts from the secret dossiers on the case, would end the careers of several politicians who are at the very top of political life in Bonn."

Slavorum Apostoli

Using Cyril and Methodius to symbolize the common roots of East and West, raises many ambiguities.

On July 2, Pope John Paul II issued his fourth encyclical: *Slavorum Apostoli*, on the Slavic church, highlighting the roles of Cyril and Methodius, two brothers from Salonica who evangelized the Slavs in the 9th century. The encyclical comes at a time when the Soviets have gone to great lengths to prevent any kind of contact between the Pope and the Slavic peoples.

The Russian Orthodox hierarchy has repeatedly and violently attacked the Pope for his opposition to the pro-Marxist Theology of Liberation. A Bulgarian delegation which went to the Vatican stated clearly that if the investigations continued into the "Bulgarian connection" to the May 13, 1981 attempt on the Pope's life, an entire people would be blamed. Last year the Pope was refused permission to go to Lithuania for celebrations in honor of St. Casimir. And Czech authorities refused to allow the Pope to attend July 7 celebrations in honor of Cyril and Methodius, at Vehelrad in Czechoslovakia.

By issuing the encyclical now, the Vatican is undoubtedly trying to open up a dialogue with the Slavic peoples, despite the hostile propaganda campaigns of those regimes. Cyril and Methodius are the saints most venerated in the countries of Eastern Europe.

Unlike earlier encyclicals, *Slavorum Apostoli* is in the style of an epistle, a less solemn genre, more focused on a specific theme. John Paul II traces the lives of Cyril and Methodius, praising their methods:

"The characteristic which I want to underline in a special way in the conduct of the apostles to the Slavs, Cyril and Methodius, is their peaceful way of building the Church, guided by their vision of the Church as one, holy, and universal." He says that the two brothers maintained respectful relations with the Roman pontiff, while being part of the Eastern Church: "They were authentic precursors of ecumenism. . . . For us men of today their apostolate also possesses the eloquence of an ecumenical appeal: It is an invitation to rebuild, in the peace of reconciliation, the unity which was gravely undermined after the times of Saints Cyril and Methodius and, in the very first place, the unity between East and West."

The document ends with a prayer critical of the Soviet regime, that religious freedom be granted to the Slavic peoples, so that "men and nations can continue again without obstacles" to exercise freedom of conscience, the freedom to live and profess the faith.

Using Cyril and Methodius as symbols of the common roots between East and West opens the doors to many ambiguities, however. The two Slavic brothers spread among the Slavs an anti-Christian doctrine, rejecting the Augustinian *Filioque*—that the Holy Spirit flows alike from Father and Son, who is both Man and God, the foundation of the value assigned to the creative individual in Western culture. By contrast, the Eastern Church, and

the cultish practices it spread through such as Cyril and Methodius, is the theology of the Eastern totalitarian state, submerging the individual.

The conversion of the Slavs was an operation conducted and coordinated by imperial Byzantium, which utilized pagan cults and syncretic religious mixtures centered around the Mithra cult, the official mystery religion of the Legions of the Roman Empire. Is it accidental that the basilicas in which the bodies of the two missionaries are buried, Cyril in St. Clement's in Rome and Methodius in Vehelrad in Czechoslovakia, both arose on the remains of important sites of the Mithra cult?

The noted expert on Slavic religion, the Dominican Father Jiri Maria Vesely, correctly stresses:

"Not accidentally it was the Byzantine Patriarch Photius, bitter enemy of the *Filioque*, who sent the two missionaries among the Slavs to counter the movements inside the Church which wanted the introduction of the *Filioque* into the Credo."

The Pope appears to have kept this little problem in mind, and seems to try to "Westernize" the two missionaries: "Even if the Slavic Christians, more than the others, gladly perceive the sainted Brothers as 'Slavs at heart,' they nonetheless remained men of Hellenistic culture and Byzantine formation, men, that is, who in everything belonged to the tradition of Eastern Christianity, both civil and ecclesiastic."

It has been emphasized that the Pope's encyclical is strictly religious. However, given that the epistemological and philosophical basis of the Soviet system is precisely that paganism against which St. Augustine and his successors fought, it is unlikely that any discussion of Christianity in the East can be nonpolitical.

'Proximity talks' on the table again

ASEAN and Vietnam exchange proposals, but will diplomatic sparks light a fire under the Kampuchean talks?

On July 8, foreign ministers of the six ASEAN countries issued a joint communiqué proposing new talks between belligerents in the Kampuchean conflict. The proposal came out of preparatory talks for the two-day ASEAN summit in Kuala Lumpur.

The previous proposal, drafted by Malaysia, caused a clamor of dissension within the tripartite Khmer resistance Coalition Government of Democratic Kampuchea (CGDK), since it de facto recognized the Vietnam-backed government of Heng Samrin. Coalition leader Prince Norodom Sihanouk faced near mutiny from the factions led by Son Sann and Pol Pot's Khmer Rouge. The Malaysian proposal called for indirect, "proximity talks" between the coalition and Heng Samrin's government, through a third-party ASEAN mediator.

The modified proposal, submitted by Thailand and preliminarily given the green light by China, calls for face-to-face talks. Heng Samrin's government would participate as part of the Vietnamese delegation.

The ASEAN proposal also calls for withdrawal of foreign forces from Kampuchea—i.e., Vietnam's occupation force—creation of a U.N. supervisory commission, and U.N.-supervised free elections.

The ball is now in Hanoi's court. The sticking point for Vietnam is that the Thai formulation implicitly rejects the legitimacy of the Heng Samrin government. On July 5, a Vietnam News Agency release jumped the gun on the official release of the proposal, saying that Vietnam would reject it.

Ranking Malaysian foreign ministry officials, however, downplayed the press release as premature.

It sent its own proposal to the ASEAN countries, setting out five points: 1) withdrawal of Vietnam from Kampuchea, predicated on 2) the removal of Pol Pot and the Khmer Rouge as a political and military force, 3) creation of a security zone on both sides of the Thai-Kampuchean border, 4) similar security guarantees for the Chinese-Vietnamese and Lao-Thai borders, 5) self-determination for Kampuchea by the holding of free elections, supervised by an international task force.

ASEAN treated the proposal as little more than a sign of Hanoi's intransigence, dictated from the vantage point of their military success on the battlefield. During their dry-season offensive earlier this year, Vietnamese troops shattered the remnants of the Sihanouk and Son Sann factions, while smashing Khmer Rouge base camps along the Thai border.

Outside of the nations directly involved, however, there is no reason to believe that either of the two dominant powers in the region, China and the Soviet Union, is particularly interested in changing the status quo.

Instead, both Vietnam and ASEAN are looking for a sign from Washington to aid in ending the stalemate. Secretary of State Shultz's 13-day Asian tour placed him in Kuala Lumpur for the ASEAN summit. The ASEAN countries were counting on Shultz to throw the weight of the Reagan administration behind their mod-

ified proposal.

Likewise, Vietnam, in a second initiative mediated by the Indonesian foreign minister, floated a proposal to Washington calling for direct, bilateral talks over the issue of American servicemen missing in action in Indochina. The MIA issue is the primary roadblock to normalization of relations between the two countries.

The American response has been ambiguous at best. As far as the ASEAN proposal is concerned, Shultz said Washington wants the Southeast Asian nations to take the point in the discussions—i.e., expect no direct support from Washington. As for the Vietnamese proposal, the State Department is known to oppose it.

More alarming, was Shultz's flagrant public embrace of the Khmer resistance, including his visit to a refugee camp, and personal meetings with leaders of the Sihanouk and Son Sann factions, where he made vague promises of U.S. "assistance."

Then word came that the U.S. Congress approved \$10 million in assistance, including a loophole allowing for military aid. First, the total dollar figure is puny, and will do little more than finance continued hit-and-run actions. More damaging, it is common knowledge that the only effective fighting force within the coalition is Pol Pot's Khmer Rouge.

In an interview with *Time* magazine, Vietnamese Foreign Minister Thach said Hanoi would pull out of Kampuchea if Pol Pot were ousted from the Khmer resistance and China and Thailand would cease aid to the rebels. Then, he said, the Heng Samrin government could work out an accommodation with a Sihanouk-led coalition.

But Chinese leader Deng Xiao Ping told Sihanouk, "You must not try to get rid of Pol Pot. Otherwise, China will let you down."

Talks move Indo-Pak relations forward

Slow but steady progress is being made to transform the bad blood between these two neighbors.

The second meeting of the Indo-Pakistani Joint Commission ended in New Delhi on July 4 with the signing of several agreements on cultural exchanges, travel, and agricultural research cooperation. In addition, one of the subcommissions discussed the problem of narcotics smuggling across the Indo-Pakistani border and identified organizations to cooperate in checking this traffic.

While by no means spectacular—an agreement on trade proved elusive, and highly contentious issues such as Kashmir, where skirmishing between Indian and Pakistani troops has increased in recent weeks, and Indian concern about alleged Pakistani efforts to manufacture a nuclear weapon remain unresolved—the results were heartening.

After the Joint Commission was formed in June 1983, it was virtually suspended for more than a year when India charged Pakistan with interference in the troubled state of Punjab.

The Rajiv Gandhi government, which has already made improved relations with neighbors a priority, has reopened the initiative at the top level.

The joint commission sessions were led by Pakistani Foreign Minister Yaqub Khan and his Indian counterpart, Minister of State for Foreign Affairs Khurshid Alam Khan. Prior to the meetings Yaqub Khan met for 35 minutes with Prime Minister Gandhi.

Though no official comment was

available, one subject was reportedly the upcoming July 30 foreign secretary-level meeting which will take up once again the issue of a bilateral accord. Both sides have formulated draft treaties, but agreement has been stalled over India's insistence that it contain a mutual commitment to prohibit the granting of foreign bases.

Significantly, Mr. Gandhi is said to have briefed Mr. Yaqub Khan on the results of his five-nation tour—which included discussion of the Afghanistan problem with both Soviet and U.S. officials. The Soviet invasion and occupation of that non-aligned nation has vastly complicated efforts to improve relations between New Delhi and Islamabad, but Prime Minister Gandhi has given clear indication that he is cognizant of Pakistan's concerns in this regard and is anxious that a solution be found, a virtual precondition for improving ties with Islamabad.

Mr. Gandhi stated in a press conference in New Delhi on July 7 that he had also raised the issue of India's concern over Pakistani efforts to attain nuclear weapons capability, an issue he had raised with U.S. President Reagan in Washington.

It is also reported that Mr. Gandhi stressed the need to cooperate in joint efforts to curb the growing menace of terrorism in the region.

For India, which has fought three defensive wars against Pakistan over

the years, concrete proof that the words of reconciliation are matched by deeds is essential. Rajiv Gandhi will need this to deal with the powerful vested interests in India's anti-Pakistan lobby, boosted as it is by the Soviet Union.

Hopes for an agreement to expand trade and investment were unfulfilled. New Delhi reports are that Pakistan was reluctant to extend to India the privileges extended to some of their Western trading partners.

But the agreement for cooperation in agricultural research and development; described by Indian Minister of State Khan as "the most concrete agreement we have arrived at," is substantial. It calls for exchange of scientists and technologists, germplasm and breeding materials, scientific literature, information and methodologies, participation in seminars, and import-export of scientific equipment.

At the signing ceremony, Indian Agriculture Minister Buta Singh pointed out that India and Pakistan share climatic conditions, cropping systems, land-use patterns, and ecology, and for this reason it was most appropriate for India to share its experience and the benefits of its highly developed research system.

Mr. Yaqub Khan stated that Pakistan wanted to emulate India's example in increasing agricultural production, an example that was being admired the world over. The crop harvest forecasting and weather warning systems developed in India could be of great help to Pakistan, he said.

Agriculture has not accidentally set the precedent for Indo-Pakistani cooperation. The historic Indus Waters Treaty, signed in the early 1960s, provided for the sharing of the benefits of that mighty river system between the two countries. It was the fruit of long and intense deliberation at a time when the scars of partition were still raw.

International Intelligence

Stalin's countryman joins Politburo

The Soviet Central Committee plenum, convened on July 1, promoted Georgian Party boss Eduard Shevardnadze, 57, to the Politburo. The addition to the Politburo of the first native of the Republic of Georgia since shortly after Stalin's death (besides Stalin himself, the other Stalin-era Georgian on the Politburo was the dreaded secret police chief, Lavrenti Beria) corroborates the ongoing revival of Josef Stalin in the Soviet Union.

Shevardnadze has a police background, having been Georgian interior minister in 1965-72, and, is also close to his fellow Politburo member from Transcaucasia, former Azerbaijan KGB Chief, and later party boss, the "Muslim," Geidar Aliyev.

Shevardnadze himself, as a candidate Politburo member, gained special prominence for conducting a well-publicized year-end visit in 1984 to the troops of the Trans-Caucasian Military District. The visit was covered in *Red Star* of Jan. 1. Visits by Politburo or candidate Politburo members to troop units, are never publicized. Thus, this tour of Shevardnadze raised many eyebrows.

General Nutting rips plan to invade Nicaragua

General Wallace Nutting, retiring commander of the U.S. Army and Air Force combat forces grouped under the Readiness Command, called for the United States to avoid the trap of a military invasion of Nicaragua in an interview granted to the *New York Times* on June 25. He called for cooperation with U.S. allies in the hemisphere on the tasks of economic development.

"We should be concentrating on developing the hemispheric idea of coalition, building strength through political reform and economic development," the General stated in the interview, granted days before his retirement from 35 years of active duty.

"Frankly, all talk about invading Nicaragua is counterproductive to the long-term coalition we ought to be building in the hemisphere."

Until recently, Nutting, as head of the U.S. Southern Command in Panama 1979-83, had subscribed to Henry Kissinger's arguments that U.S. troop strength in Western Europe should be sacrificed to build up a military capability in the Caribbean area.

"I'd rather see us work the positive side of the problem, solidify democratic control in El Salvador, try to help the Hondurans maintain it, help the Guatemalans get their act together, which they are trying to do, bolster Costa Rica and Panama," Nutting stated. "There has to be string political support for reform, relatively massive economic support, and a minimum of military assistance."

Peru starts to crack down on terrorists

On July 3, the Peruvian government thwarted "a vast conspiracy known to Peruvian subversive leaders by the code name 'Presidente,' which was intended to sabotage the presidential inauguration ceremonies scheduled for July 28, while triggering terrorist explosions in the major rural centers of the country," according to a TELAM news cable from Lima.

The plot targeted the heads of government expected to attend the inauguration.

Police at highway checkpoints seized four cars loaded with dynamite and powder and primed for explosion, in Ayacucho and Corcona. Twenty-four suspects were arrested. In a jungle shootout on July 7 in Loreto province, the civil guard killed seven terrorists from Shining Path, one of the most barbarous terrorist organizations in the world. In Inquitos, capital of Loreto, 13 terrorists who had murdered several civilians were arrested with their head, who is the son of a former cabinet minister and president of the Maoist "Social Revolutionary Party."

The terrorists appear to be deployed to defend the major international banks from the potential emergence of a continent-wide

alliance against their genocidal debt-collection policies. President-elect Alan Garcia has called for a "great assembly" of all of Peru's mayors to forge "an internal common front against the foreign debt and to defend, without taking a single step backward, our independence, sovereignty and national dignity."

Hit plan on Sri Lankan President is foiled

A plot to assassinate Sri Lanka's President Junius Jayawardene was foiled on July 11, Sri Lankan authorities reported. Two people were arrested in an assassination attempt which would have murdered Jayawardene by blowing up his office. Those arrested were members of the Eelam Revolutionary Organization of Tamil separatists, who are known to be funded by Libya.

Jayawardene, whose island-nation has been rocked by separatist terrorism by extremists of the Tamil ethnic group for several months, lifted the curfew in the northern Tamil-dominated section of the country and also released 600 Tamils, on July 10, in gestures of reconciliation between the Tamils and the Buddhist Sinhalese population. The two groups are engaged in talks, which were pulled together by the Indian government, in Thimpu, Bhutan.

Soviet Union, China improve relations

Chinese Vice Premier Yao Yi-lin arrived in Moscow July 10 to sign a \$22 billion, five-year trade agreement with the Soviet Union, which is expected to double Sino-Soviet trade by 1990.

Now that U.S. influence in Asia has been destroyed, thanks to the "China Card" policy of Henry Kissinger, Zbigniew Brzezinski, et al., the Chinese are looking to Moscow as the major power in the region to deal with. For Moscow, there is nothing to be lost by gaining security on its long border with China, as it heads for war confrontation

with the United States.

Although Moscow has given no indication that it intends to meet any of Beijing's conditions for full-scale normalization of relations—withdrawal of troops from Afghanistan, withdrawal of troops from the Sino-Soviet border, and withdrawal of Vietnamese troops from Cambodia—the Sino-Soviet rapprochement has nevertheless enjoyed steady progress.

The Soviets, according to the new agreement signed, will provide China with 7 new industrial plants and modernize 17 installations built by Soviet engineers in the 1950s. China will supply the Soviets with agricultural goods, industrial raw materials, and consumer goods.

On July 13, Chinese President Li Xian-nian left Beijing for a three-week tour of the United States and Canada. Li's trip is the first visit of a Chinese head of state to the United States since the 1949 Chinese Revolution. But, in contrast to the strides taking place in Sino-Soviet relations, Li's departure press conference, set an ominous tone for the future of Chinese-U.S. relations.

Li assailed a House of Representatives resolution passed July 10 to withhold all or part of a planned \$51 million U.S. contribution to the United Nations Fund for Population Activities, in an effort it said was designed to pressure China to halt forced abortion and infanticide caused by China's strict enforcement of its one-child-per-family population policy.

The focus of Li's discussions in Washington was expected to be disagreements over textiles, grain sales, and technology transfer.

Todenhöfer: Arms control has failed

Western foreign ministries have too much say on defense matters, writes Jürgen Todenhöfer, defense spokesman for the Christian Democratic Union, the ruling party in West Germany. Todenhöfer's statement appeared in an essay published in the current bulletin of the German Society for Conflict Research.

Arms control has failed, Todenhöfer writes, because "the Soviets never accepted military balance, but always aimed at supremacy. What has been called arms control debate has been mainly a debate in the West."

Der Spiegel highlights fight against Richard Burt

The July 8 issue of the influential West German magazine *Der Spiegel* reports on the efforts of "Helms & Co." to block the nomination of Richard Burt and 28 other State Department-backed candidates for ambassadorial posts. The article highlights the role of Lyndon LaRouche in the campaign against Burt.

Der Spiegel is a left-wing, semi-pornographic newsweekly, whose editor, Rudolf Augstein, was convicted on June 5 of transporting 40 grams of hashish across international borders.

Der Spiegel describes Sen. Jesse Helms's effort to block the nominations, and then writes: "Also the followers of the dubious Lyndon LaRouche (who is behind the exotic 'European Labor Party' in the Federal Republic of Germany) marched against Burt, together with the (Helms) rightwingers. Their hurriedly established 'Coalition to Stop Burt' rants in a leaflet: '[Egon] Bahr and other SPD leaders, who are allied with the Communists, have repeatedly praised Burt and assured that his nomination was highly acceptable.'"

Against this combined "right-wing" lobbying, *Der Spiegel* writes, "Shultz, whom the right wing considers the real threat to America's foreign policy," didn't give in: "The Secretary of State, Reagan's most important aide in the hostage affair, feels certain about his master's support—but for how much longer?"

"These rightwingers," continues the article, "are still in the minority, and won't be able to make President Reagan fire his second Secretary of State (after Alexander Haig). But Ronald Reagan will have to compromise with his hawks, if he doesn't want to be doomed to inaction for the remaining three years of his term."

Briefly

● **BELIEVE IT** or not: Iran's No. 2 leader, Akbar Hashemi Rafsanjani, the Speaker of the Parliament, set the record straight at a press conference in Beijing, China the first week in July. He told reporters that "air piracy and stealing an airplane and annoying other people is something we are against. We are totally opposed to such acts."

● **V. ALEKSANDROV**, the computer scientist known in the West as the main Soviet spokesman for the "nuclear winter" scenario, has disappeared without a trace, reported *Nature* magazine on July 4. He disappeared from a meeting in Toledo, Spain. Soviet dissident sources believe that Aleksandrov had become convinced that the Soviet campaign about the danger of a nuclear winter was merely propaganda for Western consumption, and intended to say so. For this reason, they say, he "was disappeared."

● **HOVADIA SOFER**, the Israeli ambassador to France, said in an interview to *Journal du Dimanche* published July 7, that the hijacking of TWA's jet was "not aimed at releasing the Shi'ites in Israel," but was "sponsored by Syria, itself sponsored by a superpower which aimed at destabilizing the peace process in the Middle East and destroying American interests in the region." He warned that "after the hijacking of the TWA Boeing, there will be other terror actions."

● **JIMMY CARTER** is scheduled to meet with Greek Prime Minister Andreas Papandreu July 14 on the island of Corfu, during a week-long visit to Greece. Meetings are also set with Greek President C. Sartzetakis and Foreign Minister Ioannis Charalambopoulos in Athens. A Greek government spokesman announced that the Carters will visit the site of the ancient oracle at Delphi.

State Department drives for final phase of 'New Yalta'

by Kathleen Klenetsky

As we go to press, developments in Washington strongly suggest that State Department traitor Richard Burt will be confirmed as the new American ambassador to West Germany, perhaps as early as July 15. According to Senate sources, the "hold" which had been placed on Burt's nomination by a coalition of Senate conservatives, led by Sens. Jesse Helms (R-N.C.) and Steve Symms (R-Idaho), has effectively been dropped, paving the way for the Senate to vote on Burt and several other controversial foreign-service nominees, including Rozanne Ridgeway, Burt's projected replacement as Assistant Secretary of European Affairs.

Should Burt be confirmed, as now seems likely, it will represent a crucial victory for the State Department over the national security interests of the United States. The State Department is now functioning as the coordinating agency for the Western oligarchy's conspiracy to sell out the West to Russia's "Third Rome" imperialists.

The New Yalta

The Burt confirmation is actually just the latest in a string of victories which State has managed over past weeks, the most important of which includes the TWA hijacking, through which State was able to reduce United States influence in the Mideast to near zero, and the announcement that President Reagan and Soviet leader Mikhail Gorbachov will hold a summit in Geneva Nov. 19-21.

Taken together, these developments signal that the so-

called New Yalta plan advocated by key factions of the Western oligarchy, including the State Department bureaucracy—beginning with George Shultz—has entered a final phase.

The New Yalta scheme championed by these Neville Chamberlains, calls for the United States to further disarm itself, and specifically to abandon the Strategic Defense Initiative for beam-weapon defense against nuclear attack. It also calls for the United States to divest itself of its interests in Western Europe, Asia, and the Middle East, allowing these areas to fall into the Soviet sphere of influence. In exchange, the United States would be permitted to enmire itself in wars with its neighbors in the Western Hemisphere.

Kissinger first publicly articulated that proposal in a now-notorious speech to the 1982 summer get-together at the exclusive Bohemian Grove in California, where he stated that the United States should unilaterally reduce its influence worldwide to "25% of its postwar extent."

Richard Burt's presence in Bonn is a crucial element in this planning. With his close ties to the Social Democratic Party, which has been scrupulously following Moscow's policy directives, and to the Green Party, Burt has been slated to play a principal role in the destabilization of the present, pro-American Kohl government.

Kohl's replacement by an SPD-dominated government will then have two major desired effects: First, it will hasten the process of NATO "decoupling," with West Germany either de facto or de jure breaking with NATO. Second, it

will mean that the most important source of support within Europe for the SDI, both politically and technologically, will be gone.

It is in this context that recent reports of a "softening" in Moscow's negotiating position at Geneva must be analyzed. On July 9, Leslie Gelb, the national defense correspondent for the *New York Times*, published a front-page article claiming he had been told by high-level administration sources, that Soviet negotiators at Geneva had informally made a new proposal on the SDI. The offer, according to Gelb, would allow the United States to continue to pursue the SDI—but on a research basis only. All development and testing would be banned.

That condition would make it absolutely impossible for the United States to develop a strategic defense.

Gelb followed that up with a July 11 story, based on an interview with Rep. Steven Solarz (D-N. Y.), suggesting that the Soviets are also ready to make concessions in the field of offensive nuclear weapons.

Solarz, who had just been in Moscow for a series of high-level meetings, reported that Soviet General Staff member Col. Gen. Nikolai Chervov had informed him that the Soviets are now prepared to make a 25% reduction in warheads, as well as missiles. The Soviets, who enjoy a massive superiority in warheads, had previously insisted that only missiles be counted as part of any arms control accord.

Although the Soviets issued an official denial of the July 9 Gelb piece, these two developments were immediately seized upon by the New Yalta crowd as proof that the Soviets were modifying their hard line. The State Department, while denying any knowledge of the Soviet offer, issued a statement that it would certainly be a "welcome" development.

In a related statement July 11, responding to a recent letter which Mikhail Gorbachov sent to the Union of Concerned Scientists, the State Department adopted the Soviet version of what the Geneva talks are supposed to be about, using the very words of the Kremlin propagandists. According to this remarkable statement, the United States is committed to "preventing an arms race in space" and "welcome[s] Mr. Gorbachov's reaffirmation that the Soviet Union has the desire and political will to realize the objectives of the Jan. 8 agreement" between Shultz and Gromyko on the Geneva talks. "If this is indeed the Soviet intention, the Soviet Union will find the U.S. a ready partner."

On the same day, Rep. Solarz teamed up with Sen. Gary Hart (D-Colo.), who had just returned from observing the Geneva talks, and Rep. Jim Leach (R-Iowa), to introduce a joint resolution in Congress calling on the administration to agree to a ban on SDI testing, development and deployment, in exchange for cuts in Soviet strategic weaponry. Solarz said the Soviets are showing "flexibility" in their negotiating position at Geneva, citing the new Soviet "offer" to allow SDI research as proof.

Also on the same day, Sens. Sam Nunn (D-Ga.) and Ted Stevens (R-Alaska), who had also been in Geneva, gave a lengthy briefing to U.S. reporters with the same basic message. Said Stevens: "SDI is on the table, we've reassured ourselves of that. SDI and what it means in terms of these negotiations, where research begins and where it ends, where any kind of preliminary application of any breakthroughs . . . there is going to have to be a negotiation on that. I think even the definition of what research is would be negotiable."

Burt, decoupling, and the SDI

The Gelb leaks, particularly on the Soviet's SDI "offer," represent the end phase of the State Department's long-term strategy for subverting President Reagan's beam defense plan.

EIR has confirmed that State actually invented the Soviet proposal, and then passed it along, utilizing a series of private and governmental backchannels here and in Europe, to the Kremlin. It was then leaked by State to Gelb as a "Soviet offer." Gelb, a former State Department official, is also an intimate friend of Burt, and currently occupies the same post at the *Times* which Burt used to hold—facts which strongly suggest that Burt was the source for Gelb's scoop.

The purpose of this rather Byzantine maneuvering is actually quite straightforward: State, as part of proving to Moscow that it can keep up its end of the New Yalta bargain, wants to create a situation in which President Reagan will be forced to make the SDI "negotiable"—a euphemism for killing it.

By fostering the illusion that the Soviets have adopted a more flexible position at Geneva—i.e., they will now allow SDI research, instead of demanding that the entire program be chucked, and are willing to make deep cuts in their offensive arsenal—State intends to provide the pretext for SDI opponents in the United States and in Western Europe to mount a major lobbying effort to force Reagan to agree that the Soviet offer should become the basis for negotiation at Geneva.

EIR has learned that once in Bonn, Burt will officially launch this treacherous State Department operation, functioning as the key on-the-ground coordinator for its implementation. Burt will work closely with Western European governments, and the U.S. embassy network in this process will go into high gear by Aug. 10, when the European foreign ministers meet in Stockholm. That meeting is expected to forge a unified European position: Since the United States has consistently maintained that the SDI is only a research program, and, since the Soviets have agreed to accept an SDI research program, what reason could Reagan possibly have for not accepting the Soviet offer?

Once this operation has succeeded in establishing the "Soviet" offer as "what Europe wants," Moscow will then allow the State Department proposal to be officially put forward in its own name. At that point, Reagan will be boxed

into a corner from which it will impossible to escape—unless he tosses the entire State Department and its rotten policies out the window.

The Kampelman angle

This carefully orchestrated plot against the U.S. strategic defense program will have the backing of at least one top member of the U.S. negotiating team: Max Kampelman. Indeed, the “Soviet” offer corresponds to a proposal which Kampelman put forward in a widely publicized *New York Times Sunday Magazine* article on Jan. 27.

In that piece, co-authored by Jimmy Carter’s national security adviser, Zbigniew Brzezinski, Kampelman suggested that President Reagan’s plan for an advanced technology, multi-layered defensive system capable of defending populations as well as missiles, be junked in favor of a more “practical” terminal defense.

This was more than a simple statement of opinion by a private citizen. Appearing right after George Shultz succeeded in getting Kampelman appointed chief U.S. negotiator on space-defense issues at Geneva, the *Times* article sent a signal to Moscow that State’s operation to wreck the SDI was proceeding according to plan.

Not surprisingly, Kampelman hailed the news of the Reagan-Gorbachov summit as the one development which might break the current Geneva deadlock, pointedly stressing that the SDI is the major stumbling block to progress in arms control.

Kampelman’s comment indicates that, if the State Department continues to get its way, Reagan’s meeting with Gorbachov will be used to put a U.S. stamp of approval, at least implicitly, on the New Yalta deal, including its SDI component.

From the standpoint of the New Yalta gang’s strategy for the summit, it is significant that, according to high-level sources, final arrangements for the meeting were made through Armand Hammer, a longtime Soviet asset and close ally of Richard Burt. Hammer met with Gorbachov several weeks before meeting with Reagan.

Hammer is reinforcing the State Department’s message of Soviet “flexibility.” In an op-ed for the *Houston Chronicle* after the Reagan-Gorbachov meeting was made official, Hammer wrote that the replacement of Andrei Gromyko as Foreign Minister by Gorbachov ally Eduard Shevardnadze, meant a significant relaxation of Soviet policy. Reporting that Gorbachov had “implored” him to tell Reagan, “We don’t want an arms race in space,” Hammer suggested that that it should now be possible for the United States and the Soviet Union to cooperate on SDI research.

According to State Department sources, Richard Burt’s European Affairs Department has frequently used Hammer as a backchannel to the Soviets. “We’re very impressed with Dr. Armand Hammer and all of his various contacts with the

Soviets,” one Burt aide said.

It was hardly accidental that the announcement of the summit came just as a resolution of the hostage crisis began to emerge. The coincidence strongly implies that some kind of quid pro quo between the United States and the Soviets was involved.

It is known that the State Department, through Richard Burt, carried on negotiations with the Soviets, as well as with Syria, to enlist their “good offices” in the effort to release the hostages. Burt met with the head of East German intelligence operations the evening before the hijacking took place. But this was just a ludicrous cover story, since, as the State Department knows full well, Syria and the Soviet Union set up the hostage-taking in the first place.

The immediate result of the hostage crisis has been to further diminish U.S. influence in the Mideast. The State Department has now managed to elevate Syria—which is still officially on the U.S. government’s list of terrorist states—to a position of near-saintliness for its “help” in securing the hostages’ freedom. Underneath all the public relations, what this boils down to, is that the United States has basically surrendered the Mideast to the Soviets, by implicitly agreeing to Soviet-surrogate Syria’s “Greater Syria” ambitions.

Drive U.S. out everywhere

The results of the Beirut incident represent just one aspect of the Soviets’ overall strategy for using terrorism, among other means, to destroy U.S. influence worldwide, leaving Moscow the only global superpower.

According to a threat assessment report recently prepared for the CIA, the TWA hijacking was part of a new, coordinated radical strategy which has been devised to drive the United States out of key regions of the world. The principal architects of the strategy include radical Third World states and terrorist groups, with clear support from the Soviet Union.

Entitled “Expelling America: A New Coordinated Radical Strategy,” the report names Libya, Iran, Cuba, North Korea, and Syria as key participants in the operation, whose strategy is to expel U.S. military, economic, and political influence from five areas: East Asia, South Asia, the Mideast, West Africa, and Central America.

The report says that the implications of Soviet involvement are “far-reaching. . . . The Soviets may seize the opportunity, or pre-plan with radicals to launch a major strategic move in conjunction with radical diversionary activity.” It also notes that the “gradual radicalization of Soviet policies” regarding the United States is “a major developing concern.”

Despite the report’s glaring omission of Western Europe as one of the principal areas from where the Soviets plan to drive out the United States—a goal which Burt’s confirmation will further mightily—it is otherwise right on target. Unfortunately, U.S. policy, judging by recent events, is operating on a totally different track.

Richard Burt's ties to Soviet espionage: a background dossier

by Scott Thompson

Sources inside the office of Assistant Secretary of State for European Affairs Richard Burt, and in Moscow, have confirmed close collaboration between Burt and the notorious billionaire KGB agent, Armand Hammer, in "facilitating" the plans for a Reagan-Gorbachov summit for late fall 1985. A well-placed source in Washington, D.C. reports that Burt's section of the State Department has been in charge of the summitry, and has employed channels ranging from Hammer to the Dartmouth Conference, a conduit for Soviet policy into the U.S. government.

Burt's contact with Hammer, who served, along with his father, as an active Soviet intelligence agent since their friendship with Soviet leader Lenin during the Bolshevik Revolution, is maintained through Burt's assistant for Eastern European affairs, overseeing the State Department's Soviet desk. There is evidence that the Hammer-Burt tie may be a financial one as well.

Burt's contact with Hammer is only one more episode in the saga of the unsavory associates of Richard Burt, who has been nominated to be U.S. ambassador to Bonn. They include Henry Kissinger's lifelong buddy Helmut Sonnenfeldt, who had been under investigation by the Security and Counterintelligence Sections of the State Department and Central Intelligence Agency for almost two decades. Sonnenfeldt was blocked from becoming Nixon's Deputy Secretary of the Treasury, because evidence of his espionage for at least one foreign country was made public in Senate hearings, just as Senate debate on Burt's 1982 appointment to the State Department was briefly dominated by one topic: whether or not, and for how long, Burt should be sentenced for leaking highly classified data on a new CHALET spy satellite system.

Mr. KGB, Armand Hammer

In the first week of July, Viktor G. Afanasyev, editor-in-chief of *Pravda*, told visiting American editors that Mikhail S. Gorbachov's decision to hold a summit meeting with Reagan was especially facilitated by two people: British Prime Minister Margaret Thatcher, together with other West European leaders; and Armand Hammer, chairman of the Los Angeles-based firm, Occidental Petroleum. In an interview

made available to *EIR*, the following exchange on Hammer took place with a spokesman for Richard Burt's office.

Q: Could you confirm Soviet statements that Armand Hammer facilitated the Reagan-Gorbachov Summit?

A: . . . We're very impressed with Dr. Armand Hammer and all of his various contacts with the Soviets. . . .

Q: Why have you chosen Dr. Hammer and how does Richard Burt's office maintain contact with him?

A: *Of course, any friend of Father Lenin is a friend of Mikhail Gorbachov* [emphasis added]. . . .

Q: Can you say who has friendly contact with this friend of Father Lenin in Richard Burt's office?

A: Mark Palmer, the Deputy Assistant Secretary of State for Eastern Europe maintains contact with him.

Contacts between Richard Burt and Armand Hammer may be much deeper, according to Russian emigré sources. The story involves two wealthy Russian emigrés named Muscat and Plato Malozemoff. The latter is well-connected through New York businessman Arthur Ross to the British Secret Intelligence Service circles that control Kissinger's Georgetown Center for Strategic and International Studies. Malozemoff is himself the jet-set son of a well-to-do Russian emigré, who became owner of Newmont Mining Corporation. Wayne Harper Burt, Richard's father, has been chief executive officer or president of many Newmont Mining subsidiaries.

Muscat is said to have been involved in business deals both with Malozemoff and with Armand Hammer, who built his Occidental Petroleum company family fortune in the 1920s, in partnership with W. Averell Harriman, in dealings in furs and the Romanoff crown jewels with V.I. Lenin and the chief of the KGB's predecessor, the OGPU. During Prohibition, Hammer invested these funds in the bootlegging operations of the Good Drug Company, American Distillery stock, and National Distillery, which he sold to mafia kingpin Louis Rosenstiel of Schenley's Liquor. Hammer and his father reportedly laundered funds for the OGPU to U.S. organized crime and other circles. Today, Hammer's Occidental Petroleum has substantial oil holdings in Col. Muammar

Qaddafi's Libya, holdings facilitated by Lord Thomson of Fleet Street's inside track with the Libyan terrorist dictator.

Newmont's importance in British-Soviet relations, as reported in *EIR* (June 10, 1985) got a boost in spring 1982, when it was bought by the Oppenheimer family's Consolidated Gold Fields. Wealthy patrons of Kissinger, the Oppenheimers are central to a multibillion-dollar gold-and-diamonds-for-drugs trade, which takes in Israel and Mideast "Golden Crescent" narcotics through affiliated companies such as Charterhouse-Japhet.

Just when the deal benefiting Wayne Harper Burt went through with Consolidated Gold Fields, his son was brought from the staff of the *New York Times* to be Assistant Secretary of State for Politico-Military Affairs in 1982, despite overwhelming evidence that his CHALET satellite and other leaks had seriously endangered U.S. electronic intelligence capabilities. What the Armand Hammer connection to the Burt family suggests is that so far, the highest levels of espionage on behalf of the Soviet Union by "friends of Father Lenin," can be the bases for billion-dollar business deals as well.

The Dartmouth Conference link

A source at the Dartmouth Conference—one "back channel" where secretive accords are worked out between the Anglo-American oligarchy and the Kremlin—confirmed that one of the people in the State Department to whom the conference has reported on a regular basis is, Richard Burt. The Dartmouth Conference, a project of Henry Kissinger's piggybank, David Rockefeller, is chaired by former World Federalist leader Norman Cousins and is a "Who's Who" of Kissinger clones ranging from Burt's major patron, Helmut Sonnenfeldt, now at Brookings Institution; to Gen. Brent Scowcroft, the former National Security Adviser who chaired Reagan's Bipartisan Commission on Force Structure and the MX missile; Harold Saunders, formerly with the NSC, now at the American Enterprise Institute; and, William Hyland, formerly with the NSC, now editor of the Council on Foreign Relations' *Foreign Affairs* magazine.

Since its 1982 meeting, Dartmouth Conference sources report that Burt has been open to Dartmouth's "Task Force on International Conflict," which has met with Soviet leaders, to discuss a "spheres of influence settlement" in the Middle East, Afghanistan-Pakistan, and Central America. Sources in Burt's office indicate that such a wide-ranging discussion of "spheres of influence," taken from the height of the détente period between Nixon, Kissinger, and Leonid Brezhnev, is being prepared for the Reagan-Gorbachov meeting. The sources also confirmed that Richard Burt has pursued active support of Margaret Thatcher's "Four-Point Program," reached at the urging of Kissinger's ex-business partner, Lord Peter Carrington (now NATO secretary-general), in meetings between Thatcher and Gorbachov last fall, before the Soviet leader took power. This Four-Point Program treats the Strategic Defense Initiative (SDI) as a "research program," despite the growing threat from Soviet SS-

20, SS-24-X, and SS-25-X nuclear missiles to Western Europe, where Burt is supposed to become ambassador.

Eminence grise: Helmut Sonnenfeldt

Behind the scenes of Richard Burt's career, one of the leading promoters has been Helmut Sonnenfeldt, a crony of Henry Kissinger since the latter served in the U.S. Army Counterintelligence Corps at the European Command Intelligence School in Oberammergau, West Germany. There, a Soviet defector charged Kissinger with having been recruited into a "Philbyite" Odra-cell network of Soviet agents. Both Kissinger and Sonnenfeldt were protégés of Army buddy Fritz Kraemer, a follower of the Viennese fascist Hermann Rauschning, author of *The Conservative Revolution* with Swiss Nazi Armin Mohler. Kraemer also produced Secretary of State Alexander Haig, under whom Richard Burt first served.

Hal Sonnenfeldt entered the State Department Bureau of Research and Analysis in the 1950s, where he, like Richard Burt later, fell under counterintelligence scrutiny for leaking highly classified documents on the Lebanese invasion to the Israelis in 1958—both to Henry Kissinger at Harvard, and through Kissinger, to other countries including possibly the Soviets in Bertrand Russell's Pugwash Conference back-channel. He remained under in-house State Department scrutiny, though he headed State's Research and Analysis on the Soviet bloc through an appointment of then-Secretary of State Dean Rusk, until his appointment as a top assistant of Henry Kissinger on the National Security Council staff in 1969.

Hal Sonnenfeldt played a major "back-channel" role in the Strategic Arms Limitations Treaty (SALT), which involves Richard Burt peripherally, and sheds light on the role Burt could be expected to play in Bonn to stab the Western Alliance in the back. Not only did Sonnenfeldt handle the U.S. sale of grain to the Soviets—at outrageously advantageous terms for the latter—but he kept a "back-channel" to the Soviets through Willy Brandt, Egon Bahr, and others in the left wing of the German Social Democracy. Although the Brandt government fell in 1974 when Brandt's aide Günther Guillaume was exposed as an East German agent, reportedly a member of the same Odra cell that had recruited Henry Kissinger much earlier, Sonnenfeldt used the offices of Brandt's Social Democracy for Kissinger and his private trips to Moscow before the 1972 SALT-ABM summit. He also negotiated a parallel deal on Berlin, considered to be instrumental in part of the trade-off to Moscow for the SALT agreement, which Kissinger got passed by keeping secret his full knowledge that the Soviets intended to violate the treaty!

Senate testimony shows Burt to be one of the leading critics of anyone who mentions Soviet SALT violations of any kind. This is not surprising. Burt's partner at the *New York Times*, columnist Leslie Gelb, to whom Burt allegedly "leaked" information while in office, had been part of the team which first drafted SALT at Defense Secretary Robert McNamara's urging in the late 1960s.

Does a coy smile tell you anything?

Attorney General Edwin Meese III is a no-nonsense guy not taken to levity, especially when confronted by the infamous jackals of the Washington, D.C. press corps.

This fact makes all the more significant the "knowing smile" he produced at his June 10 press conference when *EIR* asked him whether the four New York banks fined last month for failure to report over \$1.3 billion in cash transactions are still being investigated to determine whether the transactions were drug-related.

When first asked, Meese replied, "It is not our policy to comment on investigations until we have results." *EIR* followed up, "Then this means that there is an investigation?" Meese let slip his only smile of the entire press conference at that point, saying, "I can neither confirm nor deny that there is an investigation."

Ed Meese has such a friendly smile. You know, the kind that would make any director of Chase Manhattan, Manufacturers Hanover, Irving Trust, or Chemical Bank break out in a cold sweat.

The press conference was called to announce a new flank in the War on Drugs—administration-sponsored legislation to make deadly "designer drugs" illegal, a bill which Sen. Strom Thurmond (R-S.C.), head of the Senate Judiciary Committee, and Rep. Dan Lungren (R-Calif.) will introduce.

"Designer drugs" are developed by altering one or two molecules of an

existing, illegal drug (such as heroin) to elude classification as "illegal." Many of these drugs have proven to be extremely dangerous. One, a form of synthetic heroin known as MPPP, causes an irreversible Parkinson's Disease syndrome in its users, characterized by a general slowness of movements and speech, muscle rigidity, resting tremors, and a mask-like, expressionless face.

Meese announced that the Drug Enforcement Administration was invoking its emergency powers to temporarily ban both MPPP and another, related drug called PEPAP, pending the passage of the new legislation.

The move is the latest in a series of steps over the last month to escalate the War on Drugs, which Meese, in his American Bar Association address on June 9, affirmed is "all out" on "both supply and demand," and "both national and international in scope." His bill to make bank laundering of drug money illegal is currently in the committee hearing stage, and last month, Assistant Treasury Secretary John Walker confirmed that, in addition to the fines against the four New York banks named above, the list of banks officially under investigation has now grown from 40 to over 140.

Meese clarified the administration policy on the role of the military in the War on Drugs, in response to another *EIR* question.

He said he had met with Defense Secretary Casper Weinberger to work out the policy, which is designed to put more teeth into the War on Drugs while not unduly diverting the military from its proper national-security function.

Meese stated that while the military should assist the drug fight with its radar, AWACs, and observation capabilities—including pursuit observation of aircraft and ship interception of small boats—the military

should not get involved in making arrests, conducting investigations, or undertaking actual law enforcement functions.

Supreme Court called on carpet

On June 9, Meese launched a blockbuster attack on the Supreme Court in a speech to the American Bar Association.

"In my opinion, a drift back toward the radical egalitarianism and expansive civil libertarianism of the Warren Court would once again be a threat to the notion of limited but energetic government," he said, quoting Alexander Hamilton's *78th Federalist Paper* and former Supreme Court Justice John Marshall to counterpose the notion of "a Jurisprudence of Original Intent, by seeking to judge policies in light of principles, rather than remold principles in light of policies."

In the case of recent Court decisions on matters of religion, he noted that the constitutionally guaranteed separation of church and state's "purpose was to prohibit religious tyranny, not to undermine religion generally."

Notably, on this matter, however, he did not criticize the Court's refusal to hear the Rev. Sun Myung Moon case in 1983.

That case became a *cause célèbre* of a crazy-quilt of cults and KGB assets like the ACLU and National Council of Churches, as well as the Mormons, the Freeman Institute, Clare Boothe Luce, and Rep. Mervyn Dymally (of Jonestown fame), all of whom were petitioners in the Moon case to the Supreme Court on behalf of "religious freedom," as a full-page ad in the July 11 *Washington Post* pointed out. The fact that Meese ignored this case in his remarks was significant.

House passes foreign aid bill

The House completed action on the International Security and Development Cooperation Act of 1985, the foreign aid bill, on July 11. Many of the votes reflected a seemingly odd convergence between liberals and the administration. But this, in fact, is the alliance committed to Henry Kissinger's "New Yalta" redivision of spheres of influence. The overall impact of the bill will be to reduce the influence of the United States worldwide, except in those few areas which have been left to the United States by Kissinger and his State Department friends.

Philippines

The House rejected by a vote of 125 to 279 an amendment by Rep. Gerald Solomon (R-N.Y.) that would have restored U.S. military assistance to the Philippines, assistance which would fulfill U.S. commitments to the Philippines over the use of military bases. The money had been converted to economic assistance by the House Foreign Affairs Committee which argued that this would be of greater help to the Philippines.

In reality, no amount of economic aid can counteract the destabilizations caused by the International Monetary Fund.

Solomon attempted to restore an additional \$60 million in military aid that had been entirely eliminated from a \$180 million package. Solomon said that his amendment would yield an "annual package that is consistent with the terms of the military bases access

agreement that enables our armed forces to use Clark Air Force Base and the Subic Bay Naval Base. . . . I hope that this Congress will make good on the promise given by our government to the Philippines when the bases agreement was signed in 1983."

Greece-Turkey

With no opposition raised, the House ignored the current strategic reality and accepted by voice vote an amendment by Rep. William Broomfield (R-Mich.), the ranking Republican on the House Foreign Affairs Committee, to limit U.S. military assistance to Turkey to \$712 million, and to reaffirm a traditional ratio of U.S. assistance of 10 to 7 between Turkey and Greece.

Turkey, the major U.S. ally in the eastern Mediterranean and increasingly surrounded by hostile Soviet client-states, has been in a major military modernization program and its needs for U.S. assistance are high. Greece, on the other hand, is now a Soviet client-state, redeploying troops away from the Warsaw Pact border and against Turkey, carrying out military provocations against the Turks, allowing terrorists to operate freely, preparing to expel U.S. bases, and supporting Soviet propaganda lines.

Angola-Mozambique

The House, in a move that surprised observers unfamiliar with the State Department's "New Yalta" provision for increased U.S. presence in southern Africa, followed the Senate in repealing the Clark amendment. That amendment, which bans aid to groups fighting the Soviet-backed govern-

ment in Angola, was repealed by a vote of 236 to 185. Rep. Sam Stratton (D-N.Y.), in arguing for the repeal, said, "As long as those Cubans stay in Angola there will never be any peace there. . . . [The Angolan people will] never be able to remove the yoke of communism."

In a related move affecting the same region, the administration's proposal for \$150,000 in military aid to the government of Mozambique withstood an attempt by conservatives to delete it. Rep. Mark Siljander (R-Mich.), speaking for those conservatives who do not understand or do not go along with the "New Yalta" framework, attacked the U.S. aid as backing a "Marxist-Leninist dictatorship" which receives major Soviet, Cuban, North Korean, and East German assistance, is a police state, and engages in massive human rights violations. Liberal backers of the military aid claimed that Mozambique had "responded to virtually every one of the initiatives that the United States has put forward in recognition that their dependence upon the Soviets has yielded them very little that is economically substantial. . . ."

Kampuchea

By a vote of 288 to 122, the House voted up to \$5 million in military assistance to "non-communist" forces in Kampuchea fighting the Vietnamese occupation. Elements of these "non-communist" forces carried out mass genocide against the Cambodian population in the late 1970s. Liberal proponents of the New Yalta, led by Rep. Stephen Solarz (D-N.Y.), joined with conservatives in going beyond simply humanitarian assistance to these

groups. The administration had not even requested the military assistance, but Solarz said that Secretary of State George Shultz had authorized him to say that the administration now wanted the option to provide military assistance.

"There is no way that the Cambodians can militarily drive Vietnam out of Cambodia," Solarz said, "but they can sufficiently increase the cost of the occupation to make possible a political settlement."

Israel's Lavi project

An amendment, demanding that an administration study be done of U.S. support for the Israeli Lavi jet-fighter development program, was offered by Rep. Robert Badham (R-Calif.), but then withdrawn without any House action being taken on the matter. The six-month study would have had to assess the "economic and security implications for the United States and Israel" of the Lavi program, including impact on jobs, and loss of jobs in the United States, and "comparisons of probable performance, unit cost, and delivery schedules of the Lavi and comparable U.S.-produced aircraft."

Badham complained that the U.S. support for Lavi, including FY86 and FY87 funding, will total \$1.75 billion, and yet, "No House or Senate committee has ever held any in-depth hearings to address any of these issues" of financial, trade, employment, or security implications. Badham raised the issue that the program could also further hurt the Israeli economy, and pointed out that Ezer Weizman, "the person who might be called the father of the Lavi Program . . . now opposes the Lavi Program as

being crippling to the Israeli economy."

Badham said that in a period when U.S. DoD procurement is being so carefully examined for waste, it is ironic that the Congress has not studied the Lavi project's implications.

This is the first time that anyone in Congress has suggested a look at the largely secret program, which is a project of the Sharon-linked circles in Israel to transform the Israeli economy into a drugs and weapons-based economy.

Terrorism: one step forward, one step backward

In a direct slap at State Department efforts to repaint Syria as a great friend of the United States, Rep. John McCain (R-Ariz.) took the floor of the House on July 10 to remind his colleagues that Syria is a surrogate of the Soviet Union and an active promoter of terrorism. In his remarks, McCain pointed out:

"Syrian involvement in the worldwide terrorist network is well documented. Among the groups which are known to train and operate from Syria—the Kurds, the Armenians, all elements of the PLO, and various Shi'ite sects—are many who seek to subvert our allies, such as Turkey, and undermine the Western Alliance. . . . Syria is known to support many terrorist activities undertaken by Qaddafi and Khomeini."

McCain, who was a POW in Vietnam for many years, cautioned: "We should not forget that Syria is a Soviet client-state. . . . Syria receives virtually all its arms from them and owes them a large political debt." The congressman urged more concrete actions

from Syria before any further expressions of friendship are espoused.

The Senate's contribution to the fight against terrorism, however, was not so useful. Senators Lloyd Bentsen (D-Tex.), David Durenberger (R-Minn.), Daniel Moynihan (D-N.Y.) and others have introduced S.1414, legislation to increase the funding and the authority for the Federal Bureau of Investigation to improve its counter-terrorist capabilities.

That there is ample room for improvement goes without saying, but giving money to the FBI to fight terrorism is like giving money to a wino to fight alcoholism.

While this news service has been documenting the terrorist threat to the United States, FBI Director William Webster has been insisting, on the record, that no such threat exists. The FBI is notorious for its role in covering up the larger, Soviet-directed game-plan behind terrorism.

Ironically, chief sponsor Bentsen singles out the FBI's role in foiling the Sikh assassination plot against Indian Prime Minister Rajiv Gandhi as motivation for increasing support for the FBI. Not only did Rajiv Gandhi publicly blast the FBI for its failure to give timely notification to the Indian government, but evidence exists to show that the FBI would not have moved on the assassins had it not been for local police authorities. According to sources, the FBI wanted to wait and arrest the assassins "in the act of committing a crime," and would have done so had the local police not blown the whistle.

That Senator Moynihan is a co-sponsor of this legislation is noteworthy. The former ambassador to India is one of the Sikh movements major backers in the United States.

National News

Simpson tries to push immigration reform

Despite a well-deserved death in the last days of the 98th Congress, immigration reform proposals are once again being debated in the Senate. Sen. Alan Simpson (R-Wyo.), chairman of the Immigration subcommittee of the Senate Judiciary Committee, has introduced S. 1200, which is substantially tougher than his Senate legislation which died in 1984. Simpson held hearings on the bill in his subcommittee during June and expects committee action in July. Majority leader Bob Dole (R-Kan.) has promised floor action for late July.

Simpson was co-sponsor of last year's Simpson-Mazzoli bill, which was based on the racist doctrine of excluding people of specific nationalities and colors.

Simpson has removed the section of the previous bill which would have granted legal status to illegals already living in the United States. S. 1200 would delay granting legal status to such illegals until a commission had determined that the United States was more effectively sealing off its borders.

Liberals use anti-drug smokescreen vs. allies

Liberal backers of Project Democracy in Congress have found another convenient pretext to cut off U.S. military assistance to allies. Unlike the Philippines where they are targeting the Marcos government as "tragically flawed," or under the Carter administration where the pretext was "human rights violations," the House passed an amendment to the foreign aid bill cutting military assistance to Bolivia and Peru if they don't produce results in stopping the production and flow of drugs, specifically cocaine, into the United States. Ninety percent of the U.S. cocaine supply comes from Bolivia and Peru.

Backed by a flood of stories in the liberal media which have suddenly discovered the

dangers of cocaine, the liberals would end military assistance under conditions where the drug mafia often has greater military firepower than the governments themselves. While no Congressman dared to oppose this approach on the House floor, many drug fighting experts have labeled this approach "counter-productive" at best.

Since Israeli arms merchants customarily move in after U.S. military assistance is cut off, Capitol Hill observers noted with interest that many of the members who spoke on behalf of the military aid cutoff are backed by the Anti-Defamation League: Reps. Larry Smith (D-Fla.), Benjamin Gilman (R-N.Y.), Charles Rangel (D-N.Y.), Edward Feighan (D-Ohio), and Richard Durbin (D-Ill.).

Weld slapped down by federal court

William Weld, the "crusading" U.S. Attorney who is tough on political targets, but very soft on drug-money laundering, suffered a major setback in early July when the federal appeals court in Boston overturned the conviction of Theodore V. Anzalone, who had been indicted by Weld. Anzalone, chief fundraiser for former Boston mayor Kevin White, was the highest official in the White administration to be indicted.

The U.S. Court of Appeals blasted the Anzalone prosecution as based on a "stretched construction" of the law and warned, "We cannot engage in unprincipled interpretation of the law lest we foment lawlessness instead of compliance." The court's opinion suggested that the lawlessness fostered by such prosecutions is more serious than the conduct of the defendants.

The exposure of Weld as political frame-up artist is expected to have consequences as well for his grand jury fishing expedition against former presidential candidate Lyndon H. LaRouche, now going into its ninth month with no results whatsoever.

Anzalone was convicted of evading the currency transaction reporting law, allegedly having converted \$100,000 in cash into 12 bank checks of less than \$10,000 each,

which he invested for Mayor White's mother. He was sentenced to one year in prison. Faced with violations of the same law by the Bank of Boston amounting to over \$1 billion, Weld allowed the bank to plead guilty and walk away with no jail term and a fine of less than .5% of the amount laundered!

Dope lobby stringers tossed aside by NBC

Chip Berlet and Dennis King, the two "freelance journalists" employed by the dope lobby, have discovered their bosses don't play fair. Berlet and King say they were doublecrossed by NBC News after the two had served as NBC's chief "sources" for the lies broadcast on the March 1984 televised character assassination of Democratic presidential candidate Lyndon H. LaRouche, Jr., the man behind the international war on drugs.

At the recent Investigative Reporters and Editors Conference in Chicago, a news release circulated by Berlet's "Midwest Research" recounted how Berlet and King were seduced and abandoned by a powerful TV network.

According to the release, LaRouche's libel suit against NBC and other perpetrators of the 1984 television broadcast cost them \$14,000 and diverted them from their "work" for many months, "resulted in the cancellation of our liability insurance, and almost forced Midwest Research out of business." Yet, "NBC News refused to provide any financial or legal assistance . . . and now fails to even reply to letters asking for a review of NBC's position. . . ."

"We simply can't afford to be exploited in this manner again," cry King and Berlet.

Chatham House sets up shop in the U.S.

The Royal Institute for International Affairs (RIIA), known as Chatham House for its London headquarters, has set up a branch in

Briefly

Washington, D.C. Its avowed purpose is to strengthen the "special relationship" by which the British oligarchy dictates U.S. policy.

On June 27, the British Embassy in Washington threw a reception to honor Chatham House's U.S. debut. James Callaghan, the former British prime minister who presides over the RIIA, said that the Foundation's goal should be to lobby for creating an "international council of wise men" to create a "new world order." He told *EIR* that the diminishing credibility of the International Monetary Fund is of special concern to the RIIA, since "a case can certainly be made for increasing IMF surveillance" over the U.S. economy.

The new Chatham House Foundation has on its board of directors such Anglo-American establishment figures as W. Averell Harriman, ex-Secretary of State Cyrus Vance, Elliot Richardson, and RCA chairman Thornton Bradshaw.

New initiatives from anti-Burt coalition

The Coalition to Stop Richard Burt, set up on an ad hoc basis in June to rally opposition to Burt's nomination as U.S. ambassador to West Germany, held a two-day lobbying effort in Washington on July 8 and 9, circulating a statement urging that Burt's nomination be withdrawn.

At a July 9 press conference on Capitol Hill, Coalition chairman Milton Croom, past president of the North Carolina chapters of Peace through Strength and the Reserve Officers Association, issued a statement "calling on the U.S. Senate to reject the appointment of Burt" because he "has identified himself with compromise and accommodation to the Soviet Union." He said that, in light of the Soviet Union's "unprecedented menacing acts against the Western Alliance," sending Burt to Bonn "would send the decidedly wrong signal." Croom's statement was endorsed by Dixy Lee Ray, former governor of Washington.

He was joined at the press conference by founders of the U.S. civil rights movement

Amelia Robinson and Rev. Houston Anderson, and Iowa labor leader and NAACP activist Juan Cortez. Renate Müller, former candidate for the West German parliament, urged the United States to show that it remains committed to Europe's defense, by rejecting Burt.

The *Indianapolis Star* printed a lead editorial on July 5 asserting that the Senate "should take a hard second look at Richard R. Burt," recalling earlier charges that he had made "serious disclosures of classified and highly sensitive material of this country" when Burt was a reporter for *The New York Times*. "What if we wind up with an ambassador capable of indiscretions that jeopardize NATO and the United States?" asked the *Star*. *Der Spiegel*, the German equivalent of *Time* magazine, devoted two pages to the wrangle, citing the role of *EIR* founder LaRouche in the effort to keep Burt out of Bonn.

Zero-growth groups release 'new' agenda

At a Washington, D.C. press conference on June 25, the ten leading U.S. zero-growth cults released the book, *An Environmental Agenda for the Future*, in what the Eastern Establishment press hailed as a major comeback for the discredited environmentalist movement.

Among the groups represented were the National Wildlife Federation, the National Audubon Society, Friends of the Earth, and the Sierra Club.

The book claims that "excessive population growth" is a matter of "national security," and demands that the U.S. government "establish formal goals for the stabilization of the U.S. population at a level that will permit sustainable management of resources." It also calls for full U.S. support to international population-reduction programs, and removal of at least 30 million acres of U.S. farmland from production of food.

The Reagan administration has withdrawn support from U.N. programs that force "family planning" on the Third World.

● **PARREN MITCHELL**, the Congressman from Baltimore, and the Baltimore City Council are among Maryland officials who signed a resolution endorsing the July 27-Aug. 4 Moscow World Festival of Youth Conference, which will be attended by some 400 American youth. Panel titles at the Festival include: "The Western Threat to Peace," and "Evils of Western Capitalism."

● **JIMMY CARTER** (remember him?) was off to Greece in early July, to meet with that country's Soviet puppet Prime Minister Andreas Papandreou. The former U.S. President met Papandreou on the island of Corfu, before meeting with President C. Sartzetakis and Foreign Minister Ioannis Charalambopoulos in Athens.

● **HOUSTON** was the site on July 1 of a meeting called by the Democratic Leadership Council and the Texas Democratic Study Group, to figure out how to slow the exodus from the party since the 1984 Mondale electoral debacle. Discussion focused on creating a "new Democratic image" based on distancing the party from the Greenie fringe and adopting such bankrupt Republican slogans as "free enterprise."

● **EX-AMBASSADOR** David Funderburk, former U.S. envoy to Romania, said at a public meeting in Washington on July 2 that Richard Burt's confirmation as ambassador to Bonn "is not good for the United States." He also said that Secretary of State George Shultz should be replaced, for his failure to "effectively represent or implement the President's foreign policy."

● **FREEMASONRY** was denounced as "irreconcilable" with Christianity in a confidential report sent to all U.S. Catholic bishops by a committee of U.S. Catholic bishops. The report also scored the "pseudo-Islamic ritual" of the Shriners, a Masonic group. The committee that prepared the report is headed by Cardinal Bernard F. Law of Boston, recently made a cardinal by the Pope.

Editorial

Reagan's mandate

Six months ago, the second Ronald Reagan presidency was inaugurated, following one of the most resounding electoral mandates in the history of the United States. So far, under the accepted Washington wisdom that it is better to wait than to act in time, Reagan has squandered that mandate. Although he reiterated—in a radio address recorded on the eve of his surgery on July 13—his firm commitment to the Strategic Defense Initiative, even that keystone of the President's policy risks being dislodged by the Eastern Liberal Establishment, which has remained, and strengthened its hand inside the administration.

Let us look back on this half-year. In his inaugural speech on Jan. 21, Reagan asserted, "There are no limits to growth and human progress, when men and women are free to follow their dreams," and pledged to end the era of "Mutually Assured Destruction," the military doctrine which has prevented the kind of technological revolution that could overturn the "limits to growth" worldwide.

We noted at the time that Reagan had 100 days in which to fulfill his mandate. We called upon the President to hold a summit meeting with Third World leaders to plan out, for rapid implementation, a program for massive debt renegotiation and for a new, just world economic order.

Whether Reagan's commitment to the Strategic Defense Initiative would succeed in defusing the dangerous strategic crisis depended on a sharp turn in the Reagan administration's policies—away from support for the genocidal International Monetary Fund, which is killing Africa today and threatens millions in the rest of the developing sector this year, and the advanced sector next. And this meant breaking with the Kissinger apparatus which controlled Reagan's 1984 reelection campaign.

The turning point occurred just before the 100 days were up, on April 15-17, when the International Monetary Fund interim committee meeting convened in Washington. This took place immediately after a worldwide mobilization organized by the Schiller In-

stitute had brought tens of thousands of citizens into the streets of Washington, Mexico City, Stockholm, Lima, Strasbourg, and other capitals to rally against the IMF and demand that Reagan break with its policies, on the weekend of April 13-14.

Not only did the Reagan administration not break with the IMF; but Treasury Secretary James Baker III announced on April 17 that the United States was officially relinquishing sovereign control over its economic policies in favor of "IMF surveillance."

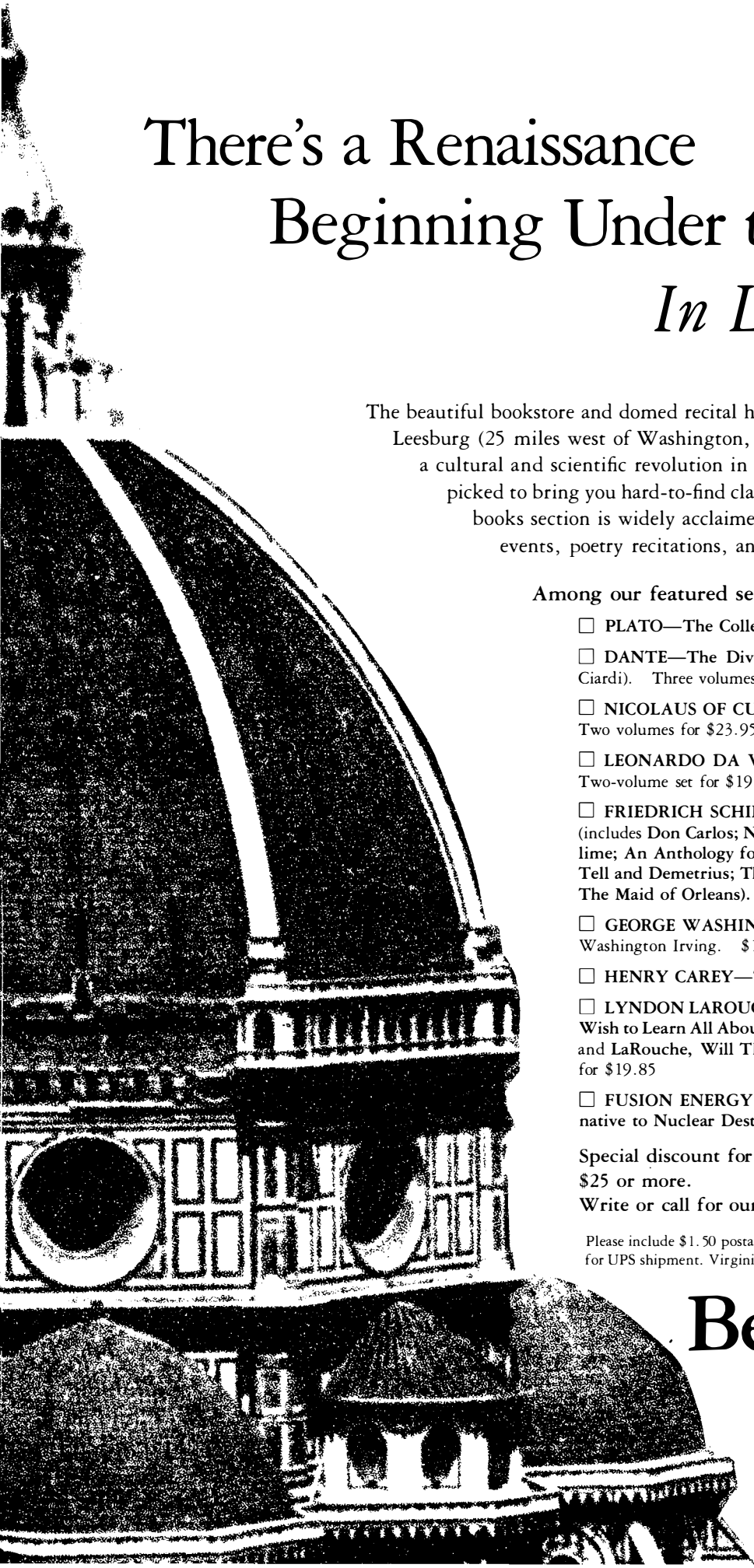
On precisely the issue we defined as the most crucial, the Reagan administration knuckled under to the Eastern Establishment. And as we warned, the security of the West has been undermined since then in an escalating series of disasters.

On April 24, President Reagan appealed on national television to the American public to support the deficit-reduction proposal being debated on Capitol Hill—a proposal which reflected in every way the IMF's demands that U.S. defense be subordinated to budget-cutting.

In May Reagan went to Bonn for the "economic summit." His invocation of the greatness of German classical culture during that trip, did much to shore up the Western alliance. But the summit itself was a fiasco, ratifying the notion of increased IMF surveillance over every national economy, and failing to win a consensus of support for the SDI.

On June 10, the President announced he had decided to commit U.S. forces to compliance with the never-ratified SALT II treaty, which he himself had earlier documented to be massively violated by the Soviet Union. On July 9, wire services were reporting that the President was willing to accept the drastic cuts in defense proposed by the House of Representatives, to break the budget deadlock.

The pattern is unmistakable. Unless Mr. Reagan frees himself—or is forceably freed—from the grip of IMF control, the SDI, which the President rightly called "the most hopeful possibility of the nuclear age" is doomed. And time is running out, fast.



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