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EIR

From the Editor

Some of you might wonder why this week's cover news story on the Peruvian government's audacious war on the cocaine mob should appear as the lead report in *Economics*. Well, it's no accident that the higher-ups involved in this murderous trade, including the international sponsors of illegal drug-trafficking, are the very same gang who have been pushing an International Monetary Fund dictatorship on developing-sector countries and the United States alike. From the outset, *EIR* has emphasized that there are only two approaches to economics—that of investment in technological progress and growing productivity, so as to increase the relative potential population-density; and that of investment in speculation and crime.

Our own approach is, of course, the first—also known as “American System” economics, as developed to a new level of scientific precision by *EIR*'s founder Lyndon H. LaRouche, Jr. The latter we identified many years ago as the “British System,” and in 1978 we called it “Dope, Inc.,” the international illegal-drug cartel.

The *Feature* this week focuses on an American System project, the Atrato-Truandó canal which would cross Colombia connecting the Atlantic with the Pacific and remove one of the biggest bottlenecks to vastly expanded world trade. Between that and the cover news feature, we think we've encapsulated the whole battle now raging in South America, between the two economic systems. *EIR*'s own policy-input into this battle is key, as the articles will indicate. Please note that our Lima, Mexico City and Bogota bureaus have provided the bulk of this coverage, which you will not find in any other media, anywhere in the world.

Milan's *Il Giornale* newspaper, the second largest daily in northern Italy, acknowledged this in an Aug. 21 article on *EIR*'s Quarterly Report, which demolished the fraud of the U.S. economic “recovery,” commenting that: “*EIR* speaks for the real producers. . . . Its attacks are concentrated against the financial institutions, such as the IMF, the Federal Reserve Board, and the high interest rates policy of its chairman Volcker, as well as against the Wall Street Establishment.”

Warmest congratulations to Jorge Carrillo, the new labor minister of Colombia, a good friend of ours, who stands for the “real producers.”

Nora Hamerman

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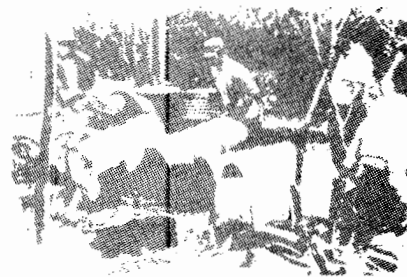
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Correction: On page 19 of last week's issue (*EIR*, Aug 23, 1985), the third paragraph of the article, "Debt burden ruins public health," by Hugo E. Arce, M.D., should read: "But, what is the counterpart to this? The rate of infant mortality (children under one year of age) . . . is over 35 per thousand, double and triple that of developed nations. The rate varies between less than 25 per thousand in some urban areas, whose access to medical services is greater, and up to 200 per thousand for many impoverished rural zones, the equivalent of some African and Asian countries. In these regions, one out of every five children born dies before reaching one year of age."

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Peruvian government takes on world cocaine mafia

by Luis Vásquez and Sara Madueño

Now that a three-nation anti-drug operation has wiped out the world's largest cocaine-refining complex, in a remote section of the Peruvian Amazon, it is not only the hoodlums from the jungle who are sweating. Peru produces 60% of the world's raw cocaine, and the bankers who make millions from it are worried. The "citizens above suspicion," the high-level political protectors and financiers of the drug traffickers, are beginning to find their own dossiers under scrutiny by Peruvian President Alan García and his lieutenants. "We will eradicate the drug trade, no matter at what cost or who falls," warned García. And developments in the first weeks since García's July 28 inauguration show that he means it.

President García has rung up two major victories in his declared war on drugs: the first, capturing and dismantling the gigantic narco-complex of Callaru; the second, dismantling the Lima-based mafia of **Reynaldo Rodríguez López**, "godfather" of the Peruvian drug trade. Rodríguez is linked to an international drug-trafficking network and has connections to the previous Peruvian government of **Fernando Belaúnde Terry** (1980-85). He had also succeeded in corrupting a large section of the country's police forces, and exported 15% of the cocaine that fed the United States market.

The new Peruvian government's anti-drug actions shatter the 10 years of complacency with the drug trade that characterized the governments of **Francisco Morales Bermúdez**

and **Belaúnde Terry**. During those years, Peru was turned into a major world exporter of cocaine. It is estimated that as much as 135,000 hectares are currently devoted to coca production in the country and, according to experts, the drug trade generates some \$35 billion a year in Peru, of which \$6 billion are the profits of the local mafia.

With the fall of the nationalist government of Gen. Juan Velasco Alvarado in 1975, Peru's doors were slowly but surely opened to the drug trade. Morales Bermúdez, through the good offices of his finance minister, **Javier Silva Ruete**, allowed the establishment in Lima of the Banco Ambrosiano Andino, a branch of the Ambrosiano Bank of the Italian masonic lodge Propaganda-Two (P-2), notorious for its ties to international terrorism, arms- and dope-trafficking. Morales also issued a law in April of 1978, by which, under the pretext of promoting forest exploitation, huge chunks of the Peruvian jungle were left to the mercy of the foreign drug mafias. During the Belaúnde administration, a law mandating harsh punishment for drug-trafficking was overturned; it was substituted by legislation which lowered the penalties for drug-pushing and granted immunity to members of the police forces, judges, and public officials caught covering for or directly involved in the dirty business!

The dizzying growth of the drug trade could not have been possible without the "free enterprise" measures dictated

by the International Monetary Fund to Peru, carried out successfully by the finance ministers Javier Silva Ruete and **Manuel Ulloa**. These are the men whose policies White House Chief of Staff Donald Regan has promoted as a "show-case" of "free enterprise" in South America.

Ulloa, David Rockefeller's representative in Peru, became the economic czar of the Belaúnde government, and liberalized banking regulations to the point that a free market for narco-dollars was allowed to exist at the very doorstep of the National Palace in Lima. Under the regime of the "Ulloa team," the coca industry boomed, and Ulloa himself went so far as to advocate legalizing the coca trade, evoking the untold economic benefits that would accrue from this. The economic implications of coca, he told *Debate 24* magazine in December 1983, "are diverse and significant. It begins with the economy of the peasants, and ends, in imprecise ways, in our balance of payments. . . . This perspective opens unimagined horizons, and would permit the channeling of the majority of coca production to a legal market."

Ulloa began his career in the late 1940s working for W.R. Grace and Co., later served as Peru branch president for David Rockefeller's Chase Manhattan Bank, and by the 1960s had become a kingpin of the Rockefeller Empire in Ibero-America, including directing Rockefeller's Deltec Banking Corp.

Now, according to *El Popular* of Aug. 22, Ulloa's name has been listed among 200 members of Belaúnde's Popular Action party currently under investigation by Peru's banking superintendency, for possible connections to the drug mafia.

The mafia under fire

With just 20 days in office, the government of Alan García has dealt major defeats to the drug mafia:

- The day after his inaugural ceremony, in which García promised to restore economic sovereignty and rescue the morals of the nation, hundreds of money-changers who flourished in the streets of the capital city were arrested and many thousands of narco-dollars confiscated. Following the instructions of the President to determine the origins of this money, investigators learned that the chief of homicide of the PIP (Peruvian Investigative Police), **Col. Leonel Zevallos**, was involved in the dirty money operations.

- On Aug. 1, Zevallos was fired, and it was revealed that he, along with other members of the PIP, supplied a number of exchange houses and hundreds of money-changers, to whom he brought dollars from Tingo María and Huanaco, the major coca zones of the country.

- On Aug. 4, the Peruvian press began to report on the scandalous link of top government figures to the drug mafias. It seems that the cocaine pushers had won the sponsorship of several PIP generals, as well as of high-level figures of the Belaúnde government, including former Prime Minister **Luis Pércovich Roca** and former Vice-President **Alva Orlandini**,

presidential candidate of the Popular Action party in the recent elections.

- On Aug. 12, President García announced that he would present to the Congress an anti-drug bill, increasing the criminal penalties for drug traffickers. The bill called for no less than 20-25 years in jail for public officials—singling out police and judicial personnel—who participate in the drug trade. The weight of the law would fall equally upon those who run protection for the traffickers and those directly involved in the trade.

- On Aug. 13, despite the opposition of the congressional minority of Popular Action and the Popular Christian Party, President García won approval for a law which gave him extraordinary powers for 90 days to reorganize the Peruvian police forces, and which de facto gave him personal charge of the war on drugs.

- That same day he launched "Operation Condor," the three-nation military action against the illegal drug production hidden in the Peruvian jungle region of Caballococha, near the border with Peru (see article, page 6).

The secrets of 'Villa Coca'

On July 24, a house in the Higuiereta neighborhood, one of the most exclusive parts of Lima, blew to bits. The explosion, apparently accidental, exposed the largest cocaine refinery ever found in the city. The house was part of a residential complex of 11 interconnected homes and belonged to one family: that of Rodríguez López. Among those automobiles found in the complex was one belonging to the interior ministry and assigned to **Luis López Vergara**, principal adviser to Belaúnde's former prime minister, Luis Pércovich.

From the very beginning of the investigations, evidence emerged showing that the Rodríguez López mafia had ties to Mexico, Colombia, Bolivia, and the United States. The sophisticated telephone network found in the residential complex—dubbed "Villa Coca"—directly hooked up to the home of the Mexican vice-consul in Lima, **Ricardo Sedano**, who lived in a house near the property of Reynaldo Rodríguez López, the "godfather" of the drug-trafficking clan. It was learned, in addition, that Rodríguez López had been a prisoner in a Mexican jail for smuggling undocumented immigrant labor into the United States.

According to a report of the U.S. Drug Enforcement Administration (DEA), the partners of Rodríguez López in Mexico were **Arturo Izquierdo Ebrard**, a mafioso from Guadalajara, and **Miguel Angel Félix Gallardo** (alias "Felix the Cat"), one of Mexico's top mafiosi. Mexican authorities are searching for Félix for the murder of Enrique Camarena Salazar, the DEA agent assassinated in February of this year. An ANSA cable also reported the possible connection of Rodríguez López with another Mexican vice-king, ex-police chief of the Federal District General **Arturo Durazo Moreno** ("El Negro"), whose extradition to Mexico was recently ap-

proved by the U.S. courts.

The Rodríguez López case has become a true Pandora's box; from it is expected to come to light the real story of the drug wealth encrusted in the highest spheres of the Belaúnde government. The cocaine mafia covered its real activities with a maze of more than 30 companies—tourist agencies, language centers, etc.—through which many of their drug carriers, or “mules,” were recruited and sent abroad, principally to Mexico and the United States. In the companies that were raided, documents were found compromising a shocking number of police officials and high officials of the previous government.

At the present time, the activities of some 158 PIP and Civil Guard officers are being investigated, among them some 41 generals. Out of fear of exposure, 16 PIP generals have presented their resignations. President García, however, refused to accept their resignations, saying that all implicated officers would be tried and publicly thrown out of office if found guilty. “Punishment will also reach those officers who have played dumb,” said García, “because there are crimes both of commission and omission.”

Among the compromised generals thus far exposed are **Gen. José Jorge Zárate** and **Gen. Rómulo Alayza Tejada**. The first, until recently director of the Peruvian Fiscal Police, was a close companion of Reynaldo Rodríguez López and the nephew of **Zoila Jorge**, of Lebanese extraction and the wife of a PIP general, also named by U.S. naval intelligence as head of one of the most important South American drug-trafficking networks in the 1940s. General Alayza had been cited by Australian law enforcement for his role in the smuggling of Peruvian cocaine to that country.

On Aug. 15, the daily *La República* published a photo that shook the nation, under the headline “Belaúnde on the Shoulders of the Drug Trade.” The ex-President appeared on the shoulders of a man named **Juan Rodolfo Serra Paredes**, his former security chief whose links to López Vergara, Pércovich's adviser, have been uncovered. The surprise and general indignation grew when it was learned that former Vice-President Alva Orlandini, who had maintained iron control over the police apparatus in the country, had personally intervened to give the mafia free access to all the leading airports of the country.

Later, former Prime Minister Pércovich was called before a judge in charge of investigating the case. A militant in the gnostic Tradition, Family, and Property sect, Pércovich was forced to return to Peru from his Miami residence.

As the days pass, more and more names of the hierarchy of the previous administration will be coming to light. Although the “Man from the Bahamas,” Manuel Ulloa, has not yet been directly linked to the Rodríguez López mafia, it is common knowledge that sooner or later the war on drugs in Peru will knock at the doors of his financial empire. Already in the streets of Lima, wall slogans have appeared saying, “The Godfather is Ulloa!”

‘Operation Condor’

by Sara Madueño

The strike against Peru's biggest known cocaine-refining facility, carried out under the personal direction of President Alan García on Aug. 13, was the first phase of “Operation Condor,” the largest operation ever launched against the Ibero-American drug mafias. This was the first collaborative military action of its kind in history, involving the armed forces and police of Peru and Colombia, with the aid of three agents of the U.S. Drug Enforcement Administration (DEA). Landsat photos provided by NASA were used to pinpoint and capture the refinery—shutting off about one-third of the cocaine flowing into the United States, in one fell swoop.

Operation Condor is the first step in implementing the strategy outlined by Lyndon LaRouche in a speech in Mexico City on March 13 (see *EIR*, April 2, 1985, “A proposed strategic operation against the Western Hemisphere's drug traffic”). LaRouche explained: “Without closer cooperation among the United States, Mexico, Colombia, Venezuela and other nations of the hemisphere, neither the United States nor any of the other republics will be able to defeat this monstrously powerful network of financial and political criminal forces led by the international drug trade.” To defeat the transnational occupation force known as Dope, Inc., declared LaRouche, all that is lacking is “a war plan of common action against the international drug traffickers on the part of the governments of this hemisphere willing to carry it out.”

The assault on ‘coca city’

Operation Condor was planned, according to the Lima press, by Alan García, in close coordination with Colombian President Belisario Betancur. The first blow dealt by Operation Condor was in the pre-dawn hours of Aug. 13, when a contingent of 60 Peruvian police officers and three DEA agents descended in three Colombian-piloted helicopters on the largest cocaine-refining complex ever uncovered: Callaru, or “coca city,” located deep in the Peruvian Amazon jungle in the region known as Caballococha, near Leticia, Colombia. Responsibility for Operation Condor was delegated by Interior Minister Abel Salinas, who put his deputy minister, Agustín Mantilla, personally in charge. The commander of the forces which took Callaru was Gen. Walter Andrade Romero, of the Peruvian Civil Guard.

Operation Condor has just begun, and will move on, as

hits dope pushers

Gen. Andrade Romero pointed out, to the destruction of more than 250 cocaine refineries scattered throughout the Peruvian Amazon. Of these, 121 are immediate targets, 110 having already been located through NASA satellite technology, and the others discovered as a result of the Callaru bust.

The assault on the "coca city" was an operation planned under the strictest secrecy, so as not to alert the drug traffickers. Those who made up the assault force were rigorously chosen for their moral integrity. Such was the secrecy maintained during the preparations for the attack, that the policemen who participated only learned of their orders—written and enclosed in sealed envelopes—when already aboard the planes headed for Callaru.

The commando force deployed against Callaru went by way of the Colombian city of Leticia, where the Colombian chief of the Southern Command, Gen. Díaz Contreras, provided them with helicopters and logistical support. From there, they headed for their jungle objective inside Peru, while a ground force of nearly 80 police officers encircled the cocaine compound. It took just 15 minutes to occupy the "coca city."

Five turboprop planes equipped with sophisticated electronic systems for blind landings were captured; three were registered in Colombia, one in Bolivia, and one in the United States. The complex had an 800-meter runway, alongside which were constructed four airplane hangars and 15 other buildings in which modern computerized laboratories capable of producing 300 kilograms of pure cocaine a week were discovered. Two underground warehouses for unprocessed coca paste were found, as well as modern communications equipment capable of reaching every corner of the world, radar instruments, a control tower to direct the night-time blind flights of the smugglers' airplanes, a cache of weapons, two hydraulic dams, three power generators, and comfortable housing for some 100 persons. Nearby was found still another laboratory where 1,500 kilograms of coca paste were being held.

These "superlabs," capable of producing more than 1,800 kilograms of cocaine per month, fed the U.S. market via Colombia, Mexico, and the Bahamas, according to Deputy Minister Mantilla. The Peruvian official also revealed that the cocaine complex was the property of Colombian cocaine czars Pablo Escobar Gaviria and Carlos Lehder Rivas, both

of them fugitives from Colombian law following the April 30, 1984 mafia assassination of that country's justice minister, Rodrigo Lara Bonilla.

More than two years ago, reported the official daily *La Crónica*, "the Colombian government alerted the governments of Peru, Ecuador, and Panama of the plans of these drug kingpins to transfer their centers of operations to those countries."

What Belaúnde knew

General Andrade Romero revealed to the press that he had briefed the previous Peruvian government of President Fernando Belaúnde Terry, but that nothing had been done. "Last July," he said, "I presented a plan for the capture of the Callaru complex, but the President did not consider it convenient to carry out." Andrade explained that the military high command knew all along of the existence and precise

The new Peruvian government has already handed the Ibero-American drug mafia one of its worst defeats. "We knew of the situation, and we acted," declared President Alan García. Even those who play dumb must be punished, he said, "because there are crimes of omission as well as crimes of commission."

location of the jungle airports and laboratories, thanks to satellite photographs provided by NASA. "We presented the same proposal to the new government, and he [President García] immediately ordered the raid," said Andrade.

The new Peruvian government, which was just inaugurated on July 28, has already handed the Ibero-American drug mafia one of its worst defeats. "We knew of the situation, and we acted," declared President García, to explain why one could not claim ignorance when the drug trade was so obvious to the rest of the world. That is why, he said, even those who play dumb must be punished, "because there are crimes of omission as well as crimes of commission."

And they *did* know, of this there is no doubt. Colombian diplomatic sources told *La Crónica* that "the Colombian government had hoped for the support of Peru in eradicating the drug trade, but received no response to its warnings, despite repeated diplomatic messages sent." One official of the DEA said that his agency "knew that the Peruvian drug trade was

blessed, anointed, and sacred. It was not a question of a few dollars more or less; it was simply that it was impossible to aid a fight that did not exist, since in Peru no one fought the drugs."

During his inspection visit to the region, Deputy Minister Mantilla corroborated that "all of the Caballococha population over 10 years of age actively participated in the construction of the cocaine complex's enormous runway." How could it not have been known, he asked, if the drug traffickers constructed a modern pier to change the course of the Tigre River? How were they able to bring in huge quantities of construction material without alerting the authorities? To reach Cabuco (the town adjacent to the cocaine complex, and the only route to reach Callaru), noted Mantilla, "it was necessary to pass the administrative complex of Puerto Alegría, inaugurated two years ago by Belaúnde. . . . It was impossible to bring heavy machinery from Colombia or Brazil without passing Puerto Alegría."

Total warfare

"We will eradicate the drug trade, no matter at what cost or who falls," pledged President García in an address to the leadership of Peru's trade union movement. Interior Minister Abel Salinas agreed: "The battle against the drug trade will

be total; there will be no truce. . . . This is only the beginning. We are going to increase our actions to halt and eradicate the drug trade in our country. . . . This is a war in defense of our future generations."

Everything indicates that this is, indeed, an irreversible commitment on the part of the Peruvian government. The Peruvian press continues to report on other operations, as well as on preparations for joint military incursions together with other countries. On the agenda, for example, according to the press, are joint anti-drug operations with Bolivia.

The war against the drug trade will also encompass destruction of Peru's vast illegal coca plantations, according to Gen. Andrade Romero, who reported on plans to proceed with the destruction of 125,000 of the 135,000 hectares of coca cultivation thus far identified. To supply the cocaine required by the pharmaceutical industry, only 10,000 hectares of coca are required. Gen. Andrade Romero added, "We have under study a method of chemical fumigation with guaranteed effectiveness against the coca plant, but which will not destroy the fertility of the land."

To be total, the war on drugs must now proceed against the drug money "laundries," many of which enjoy the cover of prestigious banks and financial institutions. There will be found the true godfathers of the dope trade.

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Dateline Mexico

Big offensive begun against drug trade

by Josefina Menéndez

In what has been called here in Mexico the "most important civilian concentration in the fight against drug-trafficking that has been carried out to destroy marijuana and opium poppy plantations," last Aug. 12 "Operation Pacific IV" was launched to sweep through and destroy illegal drugs in the states of Sinaloa, Durango, Sonora, and Chihuahua, the zone of northern states known as the "Narcotics Growing Triangle."

José Maria Ortega Padilla, general supervisor of the Technical and Criminal Division of the Mexican Attorney General's office, remarked that in no part of the world, not even the United States, has so much personnel and equipment ever been put together for an anti-drug campaign—more than 6,000 army troops and some 500 agents of the Judicial Police took part. Ortega is also director of Mexico's permanent overall anti-drug campaign.

"Where we must attack, we will do so energetically," stressed Ortega to the national and international press assembled in Badiracuato, Sinaloa, at the invitation of the attorney general's office. Badiracuato is considered to be the capital of Mexican drug-trafficking, and was chosen by Ortega for his press conference to make the point that drug-trafficking in Mexico "is not out of control."

As if to prove it, in the first week of Operation Pacific IV, nearly 300 poppy fields and over one thousand fields of marijuana have been destroyed. In the course of the 45 days the operation is expected to last, its forces "will destroy thousands of crops," said Ortega, who also pointed out that some of these crops have "as many as 50 to 60 hectares of land under cultivation, including some with modern irrigation systems." It is estimated that the total dollar value of the narcotics to be destroyed in the course of this campaign is equivalent to the total amount of Mexico's foreign debt.

The attorney general's office deployed a staff of 410 for this operation, including 60 agents of Mexico's Federal Police. They also will have the use of three Twin Otter airplanes for personnel transport; 12 Bell 212 helicopters to mobilize police and national army personnel; 32 Bell 206 helicopters for fumigation; and 20 Cessna 206 aircraft outfitted for locating and identifying the illegal crops.

General Carlos Rosas Pedrote, commander of the Ninth Military Zone in the state of Sinaloa and coordinator of the Third Military Zone, which encompasses Sonora, Chihuahua, Durango, and Sinaloa, stated that in this military region, 8 generals, 79 chiefs, 298 officials, and 6,500 troops are deployed in the battle against drug-trafficking.

Furthermore, the spokesman for the attorney general announced that an agent of the attorney general's office, 7 regional coordinators, 6 maintenance supervisors, 15 inspectors, 11 radio operators, 68 pilots, 60 agents, 68 navigators, 106 logistical support troops, and 68 mechanics were deployed in the anti-drug action zones.

U.S.-Mexican war on drugs

This new, redoubled offensive against drug-trafficking was announced in tandem with the visit of U.S. Attorney General Edwin Meese, who was in Mexico from Aug. 12-14. One of the primary results of the visit was the fact both Meese and his Mexican counterpart, Attorney General Sergio García Ramírez made clear that the war on drugs will not be isolated.

García Ramírez recognized that the link to the United States in the fight against drug-trafficking is now closer than ever, but ties are also very close with Peru, Colombia, Venezuela, and Bolivia, where he personally traveled to meet with the Presidents and attorneys-general to plan joint offensives. García Ramírez himself charged that under the cover of phony organizations or disguised as legitimate businesses, the drug smugglers practice a kind of criminality which is different from the traditional kind, but which nonetheless endangers the health and peace of society.

He signaled the alert on the new escalation of international drug-trafficking which "wants to increase zones of cultivation or transshipment in Mexico" and indicated that to counter "the criminality which looks toward the north," the attorney general's office has established, more than pacts or accords, "worthwhile and effective mechanisms of understanding and collaboration."

The end result of the visit of the U.S. attorney general was one more step toward improving the bilateral relations between both countries, as was stated by Mexico's Foreign Minister Bernardo Sepúlveda, who remarked that since the visit of Attorney General Meese, the situation has changed, since the latter "tried to transmit a genuine desire for cooperation in eliminating the irritating language or tone in the treatment of this question." Previously, Sepúlveda noted, there had been unnecessary curtness and rudeness in some expressions of U.S. officials, on the form in which Mexico has gone after drug-trafficking.

In the end, what remains to be seen is whether Mexico and the United States itself, will do what the President of Peru is doing: go after the citizens who are apparently "above suspicion."

The IMF and Libya's Qaddafi combine to destroy North Africa

by Thierry Lalevée

Once again, the International Monetary Fund's director, Jacques de Larosière, and Libya's mad-man, Muammar Qaddafi, have been caught working hand-in-hand. Their collaboration is so close that diplomatic rumor has it in North Africa that Qaddafi may have been secretly appointed an honorary director of the IMF, an institution which the Tunisian weekly *Realités* described as the "Blue Beard of the Third World."

It is most difficult to see mere coincidence in the fact that, while the countries of North Africa, especially Morocco, Tunisia, and Egypt, are being put under large financial pressures by the IMF, their economic and social crisis is being exacerbated by Libya's expulsion of hundreds of thousands of guest workers from these countries.

As indicated by a press and media campaign organized in Egypt in recent months, North African leaders have reached the conclusion that the present operation's aim is to work out a Yalta-style deal among Washington, Europe, and Moscow, during the upcoming series of Soviet-American consultations which is to culminate at the Reagan-Gorbachov meeting in November. In such a deal, Northern Africa is to fall into the Soviet sphere of influence. In the meantime, it is clear that the aim of the present crisis is to destroy independent-minded political leaders, leaving the way open for the take-over of these countries by Islamic fundamentalist types.

The Libyan gambit

Heralding the crisis was the Libyan decision at the beginning of August to begin expelling all foreign workers. Some 40,000 Tunisians and a little over 100,000 Egyptians are expected to be expelled before Libya's Revolutionary Day, Sept. 1. Thousands of others from Central and Western African states such as Mali, Niger, Mauritania, and Senegal, are also being expelled.

By way of explanation, Libyan officials have argued that their own economic situation forced them into this step. In fact, as was revealed by the Tunisian press, the only element of economics in the affair is that the Libyan government deliberately robbed the foreign workers and their families of perhaps several hundred million dollars in earnings! A mem-

orandum written on Feb. 23, 1982, by Libya's Revolutionary Committees, ordered all foreign workers to deposit their earnings in Libyan state-owned banks. Such assets were carefully frozen before making public the decision to expel the workers.

No less important financially was the decision of Tripoli to seize the passports of all expelled workers; intelligence sources report that such bona fide passports may be bought for \$250 apiece in Libyan embassies, a half-a-million-dollar business at the very least.

However, Libya's financial gains, such as they are, have little to do with the present crisis. The real reasons are to be found in last June's signing of a Soviet-backed "strategic alliance" between Libya and Iran, which called for the overthrow of all pro-Western regimes in the region. Thereafter, both Iran and Libya began taking actions aimed at encircling Tunisia and Egypt, in particular. Key to this have been the ties established by both Libya and Iran with the Sudan, to pave the way for a new military coup which, according to the Aug. 13 issue of *Die Welt*, would turn the country openly against Egypt. The visit to Moscow on Aug. 18 of a Sudanese military delegation is to be viewed in this light. Khartoum will be receiving Soviet weapons—at a very precise political price.

At the beginning of August, Qaddafi announced that citizens of pro-Western Arab states could "not be considered true Arabs. They have the choice. If they want to stay in Libya, they can choose to become Libyan citizens!" Very few answered that call. According to intelligence sources, those who chose Libyan citizenship have been deployed to Libya's borders with Chad and are to be used as cannon-fodder in a planned new Libyan offensive in Central Africa.

As both Tunisian and Egyptian security forces realize, the expulsion by the thousands of passport-less workers has also provided Tripoli cover for infiltrating hundreds, perhaps thousands of agents into their countries. On Aug. 20, Tunis launched a nationwide police operation against known Libyan agents within the Libyan People's Bureau there, its cultural center, and its economic offices. More than 283 were

quickly charged with "spying and plotting terror activities" and expelled. Some were even caught roaming the interior of the country with weapons.

De Larosière's plot

Qaddafi's political and military operations could be dealt with in kind by the region's nations, were it not for the IMF. Two recently released reports on Tunisia and Egypt outline the Fund's policies for their economic demise. Indicative of the IMF modus operandi is that, though the latest IMF report on Egypt has been released to selected Western newspapers such as the *Financial Times* of Britain, most Egyptian officials have not been able to obtain a copy.

As summarized by the *Financial Times* of Aug. 16, the IMF report is an ultimatum to President Hosni Mubarak to either radically change his economic policies now, or be faced with economic and financial retaliation from the international banking community. The IMF announcement hypocritically makes the point that "recourse to commercial foreign borrowing would not be prudent," a diplomatic way of saying that the IMF has already warned the commercial banks against lending to Egypt. The IMF proceeds to call for radical "pricing, exchange rate and administrative reforms" with the aim of solving "long-term economic problems" through fostering "as a priority the export sector."

"Pricing" means reducing or eliminating "subsidies of basic goods" such as bread, oil, and gasoline. By "exchange rate," read "devaluation" of the currency and opening Egypt to tax-less foreign investments in non-productive, speculative sectors such as tourism. By "administrative reforms," read "drastic cuts in the state sector" generally characterized as a "bureaucratic machine" hampering productivity; this would mean massive lay-offs in the public sector as well as the privatization of the most important state-owned industries. To quote the report:

"In order to maintain imports at a level commensurate with a modest growth of investment and economic activity, and in order to create employment opportunities, there is an urgent need to implement a comprehensive package of vigorous measures aimed at redressing Egypt's structural problems in the exchange system, pricing and public finances, supported by appropriate demand management policies that will create the proper environment for increased domestic production."

The report proceeds to complain about Egypt's agricultural policy and the fact that cotton's prices "are depressed" as Egypt has shifted from production of cotton, wheat, and rice, to produce more maize and stockfeed, although the production of cotton had given Egypt a "definitive advantage," claimed the IMF. Hence, "adjustments" have to be made to give "donors, creditors and foreign investors, confidence."

"Closing the projected external financing gap, including

an orderly settlement of external payment arrears, will not only need the prompt adoption of a strong adjustment package that will be sustained over the years. It will also have to rely on the cooperative and active participation of Egypt's donors and external creditors. . . . Delays in such a comprehensive adjustment . . . will make inevitable adjustment more painful," concludes the report. The conclusion is again clear: Egypt must pursue, not its national development policy goals, but those dictated by its "foreign donors and creditors." Such a recommendation, coupled with the emphasis on cotton production as an export-earner, brings back the memory of the infamous 19th-century "caisse de la dette" which paved the way for Egypt's colonization by Britain.

As reported in the Aug. 9 issue of *Realités*, IMF advice for Tunisia is almost the same, even in its particulars. *Realités* introduced its report by stating: "Shall we think, as some African economists suggest, that the IMF should be burned?" It then reminded readers that "Cairo was advised by the IMF. Consequences: a revolt and many deaths. Rabat was advised by the IMF. Consequences: a revolt and many deaths. The same scenario was repeated in Khartoum and Tunis." The magazine concludes its introduction by quoting the chairman of the African-Arab Development Bank, Chedly Ayari, saying: "Tunisia has many good economists who are able to find better solutions to the problems of their country" than those advocated by the IMF.

The IMF has been pressuring Tunis in recent months, for a major devaluation of its currency, as well as a lifting of all customs duties—a measure which, says *Realités*, can only be compensated for by raising direct and indirect domestic taxes on the population. Similarly, it advises a drastic cut in business taxation, to be compensated for by a drastic cut in public spending, cutting all new job-creation in the public sector. Then, it advises an end to price controls and wage increases.

While rejecting the most outrageous demands, especially in regard to subsidies, Tunis, like Cairo, has been forced to implement some of these recommendations. Morocco recently did the same. As a consequence, it is expected that because of the cut in state-grants to students and the impossibility of hiring new teachers, mid-September's re-opening of schools and universities may lead to a "black day" of demonstrations and revolts. Indeed, for the first time since independence, the national education budget could not be increased this year. Though associated with Libya in a treaty of political unity, political leaders in Rabat have no illusion. After the Tunisian, Egyptian, and other African workers, Moroccan workers will be expelled from Libya, too.

Thus, thanks to the IMF, those hundreds of thousands of workers being expelled from Libya will find it hard, if not impossible, to find new jobs, and the governments of their countries will find it hard, if not impossible, to stay in power or resist Soviet-backed destabilizations by Qaddafi.

New technologies to develop superior grains can fight African malnutrition

by Carol Shaffer Cleary

Recently the problems posed by attempting to feed Africa have been very much in the news. Tremendous logistical bottlenecks exist, just in getting the 1,695,667 metric tons of Title II grain the United States is sending to drought-stricken African countries, inland to the starving humans caught by this immense tragedy. But qualitatively, this aid is also totally inadequate; it is not the right kind of food to keep these people alive. To keep a person healthy, the body needs not just calories, but also vitamins and minerals and, perhaps most important, complete proteins.

A complete protein is one which contains the essential amino acids in a ratio necessary for the healthy growth of muscles, nerves, and other tissues; for the healthy function of the immunological system which protects each of us from disease; and for the healthy development of human cognitive powers. Although the body can manufacture a few of the amino acids, a great number of them are what are called essential amino acids: They must be ingested for the human to survive. The best ratio of essential amino acids for healthy growth and development is found in animal proteins, such as milk protein, steak or eggs. Cereals contain plant proteins, but they are so deficient in some of the essential amino acids that a person surviving on a primarily cereal diet acquires a disease called kwashiorkor—a protein-deficiency disease.

Kwashiorkor, which commonly hits the weaning-age child in association with measles, diarrheal diseases, and in Africa, also malaria and parasitic problems, is characterized by edema—swelling or bloating of the limbs with excess body fluids, growth failure, including sometimes weight loss, muscular wasting as the body consumes itself in order to acquire some protein, anemia, dyspigmentation of hair, and psychomotor behavioral changes, including whining, apathetic lethargy or total miserable withdrawal.

Although the United States does ship some non-fat dry milk with these grain shipments, the quantity of dry milk shipped is inadequate to make up for the protein deficiency of such a large number of starving people. Milk is also not an ideal solution to the protein needs of these people, since a large number of Africans cannot digest lactose, a milk sugar, and react to the consumption of milk with bloating and diarrhea. Some dry milk should be shipped for those who can consume milk, but clearly any serious effort to keep the

continent of Africa alive would include the shipment of other complete protein sources as well.

Recent developments in agricultural technology have made it possible to develop grains whose proteins are close enough to complete proteins to clinically allow for the recovery of a child suffering from kwashiorkor through the consumption of a diet of primarily these enriched grains.

Corn

A high-lysine corn has been developed and tested in Guatemala and Colombia, and shown to be quite effective in eliminating kwashiorkor. This high-lysine corn was developed by standard hybridization, or plant breeding techniques. Scientists studied the genetic control over the biochemical pathways in corn which convert simple sugar into starch and proteins. In the various varieties and hybrids of high-lysine corn, the synthesis of the usual lysine-poor corn protein is deliberately depressed, in favor of the synthesis of lysine and tryptophan (another amino acid) rich glutulins.

Glutulins are a protein found in many grains, in fact the high-protein wheat flour used for bread, is a glutulin-rich wheat flour. Thus far, genetic modification to produce high-lysine corn has generally meant the production of a corn which is less resistant to disease and other crop stresses, such as drought; as well as a slight to large depression in the yield a farmer obtains by planting high-lysine corn. However, in the next 10 years, these problems will be eliminated by further crop breeding.

A similar breeding project is just beginning to develop high-lysine sorghums. Sorghum is a grain grown in very dry areas, particularly in Africa and Asia.

Wheat

Although it has not been possible, utilizing these same plant-breeding techniques, to develop a high-lysine wheat, scientists have begun to use cell tissue culture, specifically, the culture of the wheat-callus, the growth area of the wheat plant, to breed a high-lysine wheat. While ordinary plant-breeding techniques take a large amount of space and roughly 10 years to develop a new plant variety, cell tissue culture allows researchers to screen millions of potential wheat plants for a desired trait in a very small area, and to develop a new

plant variety over a period of five years or less. By adding a chemical, S-2-aminoethylcysteine (AEC), which mimics the chemical action of lysine in the wheat's biochemical pathways, researchers are able to screen for plants that have extra biochemical pathways and unusually great production of lysine.

Thus far, utilizing this technique, researchers were able to increase lysine production in the local wheat strain they used 100%. Currently, they are beginning to use the same technique on a specific high-yield spring wheat that is widely adapted to climatic conditions globally, and expect over the coming five years, to bring this wheat up close to the Food and Agricultural Organization standard of 5.3% lysine. A similar cell tissue culture project is beginning to increase the methionine (another amino acid) content of rice.

In the meantime, the somewhat more expensive synthetic lysine, such as that now produced in Japan, could be added to wheat when it is milled, in the same way that U.S. wheat flour is enriched with B vitamins.

Potato

A separate group of scientists is utilizing a still newer technology, recombinant DNA or "genetic engineering," to produce a complete-protein, high-protein potato. This group is simultaneously working on white potatoes, sweet potatoes, yams, and cassava. Cassava is a starchy root which grows under very poor conditions, but unfortunately, has no nutritional value, except in providing calories. Cassava is widely grown in impoverished developing countries, where agriculture is very primitive.

This research group has inserted a small section of deoxyribonucleic acid (DNA)—the chemical genetic material is made of—into potato leaf tissue. This small section of DNA includes the gene for protein storage found naturally in

corn, but modified to make it a complete protein, plus a "promoter" gene, which tells the plant to produce this stored protein in the tuberous root only. This small section of DNA is inserted into the potato leaf tissue by infecting the tissue with a agrobacterium which has been genetically modified to include this DNA segment.

This is the same family of agrobacterium that infects the root tissue of legumes, like soybeans, and makes these infected root nodules fix free nitrogen from the air. The infected potato leaf tissue is then regenerated by cell culture techniques, to produce a whole potato plant, which can then be propagated by the "eyes"—the potato callus area that produces green potato plant sprouts when potatoes are left too long in warm, moist storage areas. Since white potatoes, sweet potatoes, yams, and cassava are all very closely related genetically, the same technique is used for each crop. These scientists expect to have high-protein, complete-protein potatoes, sweet potatoes, yams, and cassava in a year or so.

Right now, *if* economic policies were changed, U.S. farmers who are being driven into foreclosure, could be growing high-lysine corn to keep starving Africans alive. Also, farmers in Mexico, Brazil and Argentina could be growing for export varieties of high-lysine corn developed by CIMMYT in Mexico. The Rio de la Plata could be developed on a crash basis to feed starving humans globally. And, in a short time, these same farm areas could be growing high-lysine wheat.

Since wheat is a higher protein grain, the export of high-lysine wheat as soon as it is developed to feed starving Africans would be superior nutritionally, to the export of high-lysine corn.

Beyond the emergency value of these grains and root crops in keeping alive countless humans—who would otherwise die of kwashiorkor and related medical problems—this technology will have a major long-term impact on global agricultural production. Farmers in the United States are already growing primarily high-lysine, rather than regular corn.

This high-lysine corn is fed to cattle and pigs. Livestock, when fed this superior protein-quality grain, produce more growth hormone, and therefore reach slaughter size much more quickly. Younger animals require much less feed to put on the same slaughter weight, than older animals. Therefore the farmer achieves a healthier, slaughter-size animal not just more quickly, but with a tremendous savings in grain and economy of production, and he achieves this without employing any chemical additives, whose medical impact on the consumer of the slaughtered meat might be questioned.

For developing countries, like these 22 drought-stricken African countries, superior animal feed, vaccines, and any other technology which can help produce healthier livestock more rapidly, are of inestimable importance for developing the kind of herds which will enable all humans, wherever they live, to enjoy the full nutritional benefits of animal proteins.

TABLE 1
High-lysine grains compared to regular grains

	Percent protein	Protein digestibility	Lysine g/100g protein
WHEAT			
Purdue 4930 high protein	17.3	85.5	2.9
regular	12.1	85.5	3.0
MAIZE			
high lysine	10.5	85.8	4.6
regular	10.6	85.8	2.7
SORGHUM			
high lysine	18.5	60	3.3
regular	13.1	60	1.8
RICE			
SP 1761 high protein	15.4	83.8	3.4
regular	6.9	83.8	3.7

Crisis won't affect Brazil's aerospace

by Geraldo Luis Zaraiva Lino

In a recent visit to the Brazilian Aeronautics Agency (Embraer) and the Aerospace Technical Center (CTA), in São José dos Campos, Sao Paulo, Brazilian President José Sarney, said that despite the economic crisis and the financial difficulties hitting the country, the resources to continue the Brazilian aerospace program will not be cut. "What I have seen here surpasses anything I could have imagined," the President said enthusiastically, adding that the visit left him with "an unmistakable conviction that Brazil will occupy, even in this decade, an important position in aerospace technology."

At Embraer, which marked its 16th birthday, the President got to know the company's new product, the EMB-120 "Brasilia," a pressurized turboprop for 30 passengers, which the Brazilian Air Force and various foreign aviation companies have already bought.

A bit of history

Until 1969, there were different attempts, with varying degrees of success, to start assembly line aircraft production in Brazil. Embraer was set up that year as a mixed-capital firm, allowing Brazil's aeronautics industry to make a qualitative leap and rapidly become competitive with companies in more developed nations.

The first airplane built was the Bandeirante, a lightweight two-motor plane designed by CTA which became a great sales success. Then the Ipanema was launched, a crop-duster. In 1970, the company signed a deal with Aermacchi Italiana to make the MB-326, renamed Xavante. During the 1982 Malvinas War, some of these planes were supplied to Argentina and took part in attacks on the British fleet. In 1975, an accord was signed with the U.S. company Piper, to manufacture light aircraft. The next year the Xingu was launched, a pressurized two-engine executive plane, of which the French navy purchased 41 units for pilot training. Then came the military training plane Tucano, which recently won the international bidding of the British Royal Air Force and is now known as Brasilia.

This year, the first AMX prototype, christened Centauro, an attack jet developed in consortium with the Italian companies Aermacchi and Aeritalia, will fly to Italy. The next international consortium project should be to build a supersonic pursuit plane to replace the Mirage III and the F-5E of the Brazilian Air Force.

The first step in developing Brazil's space program was the creation in 1954 of the study group of the National Council of Investigations and the Brazilian Air Force, under Brig. Gen. Oswaldo Baloussier, who was responsible for the first conceptual studies of the program. In 1961, theory turned into practice, with the creation of the National Commission of Space Activities, whose first director was Col. Aldo Vieira da Rosa.

In 1965, construction began on the launch base of Barreira do Inferno, in Rio Grande do Norte. The highly favorable geographical position of the base, just five degrees from the earth's magnetic equator, led NASA to set up a cooperation accord to study ionospheric phenomena at altitudes below 200 kilometers.

The first rockets launched were all imported, mainly from the United States, and the first launch was on Dec. 16, 1966. Starting with the creation of IAE, the Sonda Program began, a project for building rockets in Brazil.

Sonda I is a rocket capable of reaching an altitude of 70 km with a payload of 5 kg. Sonda II can reach 180 km with a payload of 50 kg. These rockets basically developed Brazil's own capacity to elaborate projects.

Sonda III, which first flew in 1976, is a meteorological rocket; it can reach 600 km of altitude with a payload of 128 kg. Sonda IV, launched in 1984, is more ambitious, and represents a fundamental step in the project of the Vehicular Satellite Launcher (VLS). It can carry a 300 kg payload to 1,000 km, and is being used to test various indispensable orientation mechanisms for launching satellites.

Once the Sonda Program ends, tests will start with the VLS, made up of four Sonda IV rockets, which will carry the first Brazilian satellite into space in 1989. Its mission is to find out about the country's natural resources, complementing U.S. satellite data.

The perspective opening up to Brazilian space exploration is cooperation with other Ibero-American countries, as proposed at the Second Regional Seminar for the Implementation of Space Activities on the Continent, held in May 1983 in São José dos Campos. At that time the possibility of technology transfer to the countries of the region which are underdeveloped in this sector was discussed, as well as a broad personnel training program to be carried out in the most advanced centers of Brazil, Argentina's National Commission of Space Investigations, and the Colombian Space Center. This could be the first step toward an Ibero-American space agency, whose research will already be quite advanced.

The results obtained in space research have already had important applications in other sectors of Brazilian industry, the benefits of which are paying back the investments in aerospace activities dozens of times over. As examples, we could cite high-resistance steels, seamless metal pipes, ultra-light fiberglass structures, and heat isolators for high temperatures.

Soviets flaunt beam-weapon lead

by Charles B. Stevens

According to a UPI wire of Aug. 20, White House press coordinator Larry Speakes warned on that day of Soviet superiority in space-weapon development. "There is also a growing threat of attack, Speakes said, as the Soviets continue research that could result in the launch of the first prototype of a space-based anti-satellite laser battle station 'in the late 1980s or early 1990s.'" One week before that report, *Pravda*, the Soviet party newspaper, carried a major article which appears to confirm Speakes' warning. The Aug. 12 *Pravda* piece, titled: "The Professions of Atomic Beams," is written by Evgenii Velikhov, vice-president of the Soviet Academy of Sciences for Physics and one of the world's most proficient beam-weapon scientists.

The Velikhov article announces that Soviet scientists working on intense ion and neutral beam systems at the Kurchatov Institute in Moscow, the Novosibirsk Nuclear Institute in Siberia, and the Institute of Physics in Kiev are about to receive "the U.S.S.R. State Prize." And while the article makes no overt mention of military applications, it does note the superiority and priority of Soviet research in areas which, indeed, are well known in the West as being crucial for anti-missile beam weapons.

Ion and neutral particle beam weapons

It has long been known that intense, high-energy particle beams offer one of the most efficient and effective means of intercepting ballistic-missile-launched nuclear weapons in space and the upper atmosphere. The reason is that high-energy particle beams, consisting of ions or neutralized fast ions (atoms), can be "tuned" to penetrate into the interior of warheads where they destroy the delicate electronic controls of the offensive missile and warhead.

The result is that the particle beam can achieve neutralization of offensive missiles at energy costs millions of times less than those of any other means—such as laser beams and/or physical-intercept systems—and at any phase of their trajectory.

As Lt.-Gen. James Abrahamson, director of the U.S. Strategic Defense Initiative, has detailed in recent months, major progress with both charged and neutral particle beams

has been demonstrated and experimental prototypes are in operation. What has not been reported is the fact that these U.S. developments are almost entirely based on pioneering Soviet research.

Velikhov's *Pravda* piece emphasizes this reality, and even reveals new Soviet accomplishments in the field, with particularly important weapon applications, to emphasize the point: "The source of negative ions, created by using the plasma-volume method, and working in a continuous regime, is more economical than the analogous system used abroad. That is, the model which several foreign laboratories focused on when creating their own designs for negative ion sources was that of the plasma surface source."

According to leading beam experts at Los Alamos and the Rand Corporation, the U.S. particle-beam weapon program has, indeed, concentrated on plasma surface—as opposed to the more "economical" plasma volume—sources for ions because it was believed until recently that this was the only way to achieve a well-focused beam during acceleration of the ions extracted from the plasma. Plasma volume sources have been used in the United States for neutral particle beam heaters on magnetic fusion experiments. In this case the poorly focused beam is acceptable, since the target at which the beam is being directed is only a few feet away.

But as the Los Alamos and Rand experts pointed out, just recently U.S. researchers have concluded that it is possible to utilize the more effective plasma volume source and still maintain a well-focused beam during acceleration, and research along this line has just begun. The point is quite significant, since the use of plasma volume sources will permit an increase in beam currents in the same accelerator by as much as a factor of 10, and a similar increase in beam power.

Therefore, Velikhov's little passage about plasma volume versus plasma surface sources is quite revealing: 1) both the U.S. and Soviets have utilized plasma volume sources in magnetic fusion experiments; 2) the successful U.S. Los Alamos White Horse neutral particle beam weapon program has concentrated on utilizing surface plasma sources; 3) Velikhov reveals that Soviet scientists have succeeded in utilizing plasma volume sources in beam systems, while "foreign laboratories" have been limited to the less efficient plasma surface sources.

Given the testimony of U.S. experts, it is clear that Velikhov is flaunting the apparent superiority and priority of Soviet particle beam weapon work. The sad truth is that in terms of pioneering concepts, most U.S. particle beam research is based on concepts derived from Soviet work.

How accelerators work

As Dr. Velikhov notes in his *Pravda* article, the general public has long been acquainted with the practical applications of electron beam accelerators, such as TV, x-ray machines, and electron beam welders. Ion beams are less well

known, though they too were first realized more than a half-century ago.

Both electron and ion beam accelerators have attained extremely high energies at which the charged particles are traveling at near the speed of light. But these high-energy accelerators have been limited to very low beam currents, and, therefore, low beam power.

New types of accelerators have had to be developed in order to achieve high-current, high-energy particle beams. And in the case of ions, which, because of their much greater mass, promise to have a much greater punch than electrons, Soviet beam scientists have pioneered the most important concepts.

All accelerators utilize an electric field to accelerate electrically charged particles. This electric field can be either oscillating or continuous, and, it can be combined with oscillating or continuous magnetic fields. But the chief problem is to damp motions of the ion perpendicular to the direction of acceleration. These "transverse" motions cause the ion beam to become defocused and hit the wall of the accelerating chamber.

The difficulty with high current ion beam accelerators is that the possible modes for coupling accelerating energy into unwanted transverse beam motions is greatly increased by the non-linear interaction of the beam particles which appear at higher beam currents. But these non-linear effects become beneficial once the ion beam has been accelerated to near the speed of light. (At this point these non-linear interactions produce a sort of beam self-focusing phenomenon.) Therefore, it is during the startup and first phase of beam acceleration that the greatest difficulties are encountered.

This resolves down to two distinct areas: 1) ion sources; 2) the first accelerator stage.

The Soviet Union has led the way in both areas in terms of the parameters needed for beam weapons. While the U.S. pursued positive ion sources, needed for neutral beam heaters on near-term magnetic fusion experiments, the Soviet program pursued negative ion sources which are applicable to either long-term fusion reactor requirements or near-term neutral particle beam weapons.

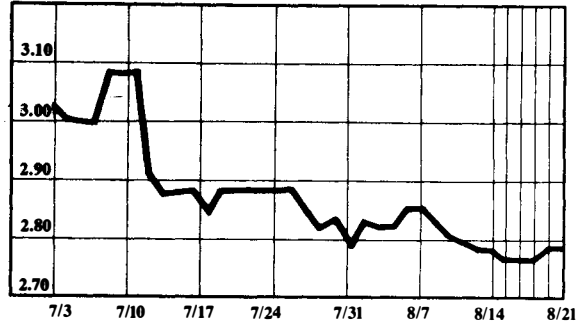
Neutral beams of high energy atoms have major applications to both magnetic fusion and space-based beam weapons. In both cases, ions are first extracted from a plasma source and accelerated to high energies. They are then passed through a gas cell in which they become neutral atoms once again without a loss of energy or direction. For higher energy and current beams, negative ions can be gas-cell neutralized more efficiently than positive ions.

In terms of accelerators, the leading technology for high current beams being concentrated on in the West is that of the Radio Frequency Quadrupole (RFQ). This concept was pioneered by Soviet scientists. But despite the great success with the RFQ in the West, the Soviets apparently are concentrating on another concept, the alternating phase accelerator; a concept which is yet to be seriously pursued in the West.

Currency Rates

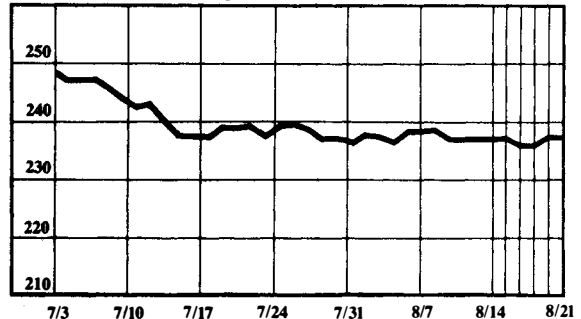
The dollar in deutschemarks

New York late afternoon fixing



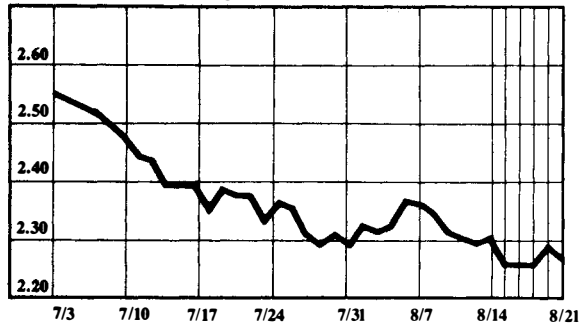
The dollar in yen

New York late afternoon fixing



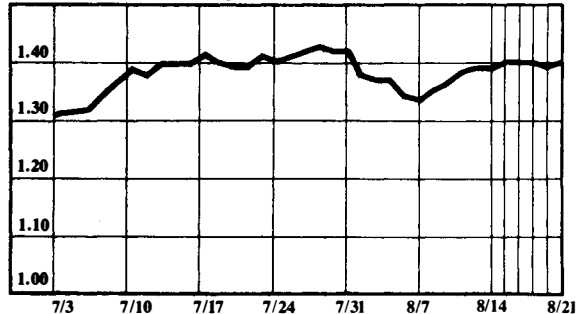
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Maryland crisis shakes Wall Street

The impending fall of EPIC threatens to bring down the \$300 billion mortgage securities business.

What seemed at first to be just another chapter in the continuing saga of the Maryland Savings and Loan industry has turned out to be much bigger, for it threatens to bring down the \$300 billion mortgage securities industry. For this reason a summit of representatives of major financial institutions has been convened with Maryland state officials in the face of the near-certain collapse of the mortgage securities company, EPIC. Present at the meeting were representatives of the major mortgage insurers threatened with a \$400 million loss, Salomon Brothers, the New York investment bankers, and federal and state officials. So far no solution is in sight, and the major subject of the meeting appears to be who will take the bath.

What happened is that a small Bethesda thrift, Community Savings and Loan Association, underwent a run on its seven offices when it was learned that a subsidiary, Equity Programs Investment Corp. or EPIC, was in default on several million dollars in interest payments due during the month of August. Community, an institution of \$400 million in assets, was in fact sustaining EPIC, a company with book value of \$1.4 billion, by injecting \$18 million a month. Because of the previous Maryland crisis, all savings institutions in Maryland with more than \$40 million in assets have to qualify for federal insurance by Jan. 1 or go out of business.

Federal officials refused to permit Community to qualify unless it sev-

ered its connection with EPIC. Without the monthly payment EPIC could not meet its interest payments, and so defaulted on approximately \$4 million due to National Bank of Washington, and will do the same to money owed to First National Bank of Maryland. Also the government's own mortgage marketing agency, the Federal National Mortgage Association (Fannie Mae) is out the money on \$115 million on mortgages it had placed through EPIC.

The reason why everyone involved is walking on eggshells, and essentially lying about the dimensions of the problem, is that the huge and wildly over-valued mortgage securities market is directly threatened by the collapse of EPIC. The *New York Times* in its latest coverage wrote, "That failure [of EPIC] . . . has caused concern on Wall Street that the real estate company's problems, if not solved quickly, could mar the reputation of the mortgage-securities business, including the market for tax-exempt housing bonds issued in huge quantities by states."

The way the business works is that an underwriter, such as EPIC, assembles a pool of mortgages based on private homes, in this case 20,000 such units. Backed by the value of the mortgages, EPIC markets them as securities to investors, some private individuals, but primarily other S&Ls, and to Fannie Mae. Private insurers, for a fee, guarantee the mortgages and the securities, and banks against such

guarantees lend the money for EPIC to finance its mortgages. As long as the value of the real estate is going up, the units are being sold or leased, and the buyers are meeting their payments, all goes well. As soon as any or all of these conditions are no longer met, all of the financial institutions involved come under risk.

If EPIC is declared in default, the private insurers have to meet their obligations. To do so, the insurers will try to take over EPIC's properties and try to sell them for whatever they can get. Since "firesales" of this kind can bring as little as 25% of the list value of the property, it could easily mean that up to \$400 million of real estate values will be lost. But even this is not the extent of the potential damage. As the *Washington Post* reported, "If any of the insurance companies can't pay off on their coverage or the EPIC properties can't be sold for enough to cover their mortgages, then the lenders will face losses." The principal banks involved are trustees for more than \$1 billion in EPIC securities.

But what worries Wall Street the most is that if the insurers fail to meet their obligations, the entire mortgage market will be endangered, and this latter consists of \$1.6 trillion. In reporting on the situation, the *Times* wrote, "The market for housing bonds depends on the availability of private mortgage insurance. It is this industry that could get hurt the most if Equity Programs collapses." The problem of any bailout to avert the collapse is that everyone—the investors, the insurers, the banks, the mortgage holders—are all scrambling to cut their losses, and someone is going to take a fall. Since all the assets upon which the house of cards has been constructed are highly overvalued, the crack could go to the very top of the paper mountain. That is what has been set in motion by this little default.

Business Briefs

Organized Crime

Betancur to stop U.S. drug-money laundering

The governments of Colombia and the United States are currently discussing "signing an agreement to prevent the deposit of funds generated by narcotics traffic in U.S. banks," reported the Colombian newspaper *El Periodista* on Aug. 18. "This agreement is being analyzed by bankers from both countries, jointly with government representatives."

The Colombian senate is currently debating a law proposed by President Belisario Betancur, which would wipe out all property rights of narcotics traffickers and mandate that all their assets would pass into the hands of the state.

El Periodista reported further that the top anti-narcotics officials of Colombia, Peru, and Bolivia met in Bogota "to coordinate a gigantic plan to eradicate drug traffic."

Environmentalism

Senator Kasten out to block credit for Brazil

Senator Robert Kasten (R-Wisc.), a leading light of the "New Right," has formed an "unusual political alliance" with "environmentalists and anthropologists" to oppose the World Bank's "lending more money for the development of Brazil's north-west Amazon," the London *Economist* reported in its July 13 issue.

An environmentalist group opposing a scheme for turning the Polonoroeste rain forest into small agricultural holdings appeared before the Natural Resources subcommittee of the House of Representatives, but their cause was rejected. They then appealed to World Bank President A. W. Clausen, with no results. Then they went to Kasten, the chairman of the Senate Appropriations Subcommittee, who took up their cause, firing off a "scorching letter" to Clausen, and soliciting the assistance of then-

Treasury Secretary Donald Regan.

Kasten's efforts were supported by Regan, who "put pressure on the American director at the Bank" to stop funding for the project, and who gave orders to the American director of the Inter-American Development Bank, to stop funding for such projects in Brazil.

Kasten is also now working with an environmentalist-anthropologist coalition to stop funding for a hydroelectric project in India and a capital-intensive project in Indonesia. The *Economist* reports that the senator is demanding an end to World Bank investment in any large, capital-intensive projects, insisting that it finance only small projects that are "environmentally benign, energy efficient and respectful of indigenous peoples." "Thus is the New Right wrapped in the mantle of ['Small is Beautiful'] Schumacher," the *Economist* commented.

Economic Forecasting

Italian press highlights EIR's Quarterly Report

Il Giornale, one of the most widely-read conservative dailies in Italy, devoted a full page of its coverage on Aug. 21 to *EIR's* March 15 Quarterly Report, which demolished the fraud of the U.S. economic "recovery."

Entitled "Shadows on the American Recovery: The Discouraging Quarterly Report of the Washington-Published Executive Intelligence Review," the article provided extensive quotes from the report, and commented: "*EIR* speaks for the real producers, and it can be seen: Its attacks are concentrated against the financial institutions, such as the IMF, the Federal Reserve Board, and the high interest rates policy of its chairman Volcker, as well as against the Wall Street Establishment."

Author Maurizio Blondet reported that *EIR's* solution to the economic collapse is the reorganization of the world debt, quoting the report's conclusion: "Let's suppose that the yearly debt service be allocated,

instead of being given to the banks, to productive investments: How many new Panama canals could be built with such an amount, how many nuclear power plants, how many development projects could be accomplished?"

Real Estate

Israeli legislators investigate land scams

West Bank real estate scams are being investigated by Israeli parliamentarians, who are looking into the cases of "public figures involved in covering up illegal land sales," including officials who had worked in the defense and agriculture ministries at the time when Ariel Sharon was in charge of those ministries, the *Jerusalem Post* reported Aug. 18.

Although non-Israeli public figures are not presently under investigation, it should be recalled that among the more notorious land-scammers during the past two to three years have been Henry Kissinger and several of his Trilateral Commission partners, including Robert McNamara and Irish Premier Garrett Fitzgerald.

International Trade

Thai leaders alarmed at U.S. import restrictions

Thai officials delivered an aide-memoire to U.S. representatives Aug. 23, charging that the Thurmond-Jenkins Textile and Apparel Act, currently before the U.S. Congress and expected to pass imminently, "unfairly lashes Thailand." The bill would slash Thai textile exports to the United States by 64.4% and cost the country 100,000 jobs. The note was delivered to Rep. Sam Gibbons, chairman of the House Ways and Means Subcommittee.

In the last decade, the Thai textile industry has increased five-fold. The Thurmond-

Jenkins bill, by closing the loopholes in the existing quota system, threatens to destroy this new industry.

Former Thai Prime Minister Gen. Kriangsak is conducting a personal campaign to defeat the bill, and has sent hundreds of appeals to U.S. congressmen to warn that the measure will cause serious damage to the security of American allies, and contradicts the stated U.S. commitment to "free trade."

The Debt Bomb

Bank of England switches line on Peru

Peru's President Alan García "is attempting a strategy of divide and conquer vis-à-vis the international banks, by insisting that Peru will preferentially pay back debts to those banks which lend it new credit," a Bank of England source complained in an interview Aug. 23. Less than a month previously, when García announced a war against the International Monetary Fund in his inaugural speech, the same Bank of England office had been much more sanguine, predicting that García would go the way of Argentine President Raul Alfonsín, who was forced to toe the IMF line after initial resistance.

"Our reading in London is that Garcia means business," the official said. "He keeps repeating that Peru will negotiate directly with the banks, without talking to the International Monetary Fund.

"The concern is that Garcia may be trying to take up the cause of the countries across the continent. We don't know to what extent what he says is just rhetoric, after the election, or something else. . . .

"He says that, when debt payments are resumed, preferences will go to banks which propose to lend new credits to Peru. We see this as an attempt at *divide et impera*."

The banker said that "for the moment, we are taking the threat from Peru most seriously of the countries in Latin America, although Colombia, potentially, is more threatening. It's a bigger country, in a lot of financial trouble." He said that the situations

in Peru and Colombia would be among the featured subjects under discussion when the International Monetary Fund and World Bank meet in Seoul, South Korea, in early autumn of this year.

Global 2000

Houston meeting plots genocide in Mexico

A conference sponsored by the Houston Area Research Council (HARC) Aug. 20-21 mapped out a strategy to smash Mexican resistance to austerity measures and to the "Global 2000" population reduction policy promoted by the Carter administration. The grinning Jimmy Carter himself showed up to propagandize for his genocide program.

The Mexican government is currently under great foreign and domestic pressure to give up its traditional resistance to joining the General Agreement on Trade and Tariffs (GATT), and to open up its doors for foreign financial takeover. This was one of the meeting's principal recommendations.

HARC was set up by George Mitchell, the billionaire oilman and member of the U.S. Association for the Club of Rome—the flagship organization of the zero-growth movement.

Mitchell declared at the Houston meeting, "Many people on both sides of the border view Mexico's population and economic problems as a witches' brew of despair and deprivation that simmers today and threatens to boil over tomorrow. The flood of illegal aliens could easily become a tidal wave, as a result of any major social upheaval."

Mitchell then introduced Jimmy Carter, who announced, "An extension of the Global 2000 report, just relating to the U.S. and Mexico, would be invaluable."

The conference resolved that Mexico's "population problem" must be resolved on the basis of "Global 2000"; that "appropriate technology" is the only means to solve the problem of the growing labor force; and that Mexico must join GATT and open up to foreign investment.

Briefly

● **THE APPOINTMENT** of trade-union leader Jorge Carrillo as Colombia's new labor minister was prominently reported in *Al Amal*, the daily newspaper of the Tunisian Ad Destour party, on Aug. 22. The newspaper published a release by the Schiller Institute hailing the appointment, and stressed Carrillo's role as a fighter against the drug mafias and the International Monetary Fund.

● **TUNISIAN** intelligence sources tell *EIR* that there is an "international conspiracy of silence against Tunisia," in the face of IMF austerity pressures, a strike wave, a threat of invasion from Libya, and massive infiltration of Libyan-backed insurgents. Tunisian officials have concluded that there is an international agreement to allow a full-blown crisis to develop and to become irreversible.

● **KOMMUNIST**, the Soviet Communist Party journal, publishes an article in its current edition by Novosibirsk economist K. Val'tukh, calling for a top-priority direction of investment into basic industry, and above all to steel production, at an improved level of technology. In 1982, Val'tukh had criticized Soviet investment policy, stressing that investment in new technologies was the main requirement for improvement of the Soviet economy.

● **THE PHILIPPINES** must pay up once again, says the IMF. The Fund wants a new peso devaluation, beyond the 60% collapse after the first 12 months of the IMF-imposed austerity regime. Government statistics show that the IMF monetary program is destroying the manufacturing export base of the economy. Imports, largely of raw materials for finishing and assembly, have dropped 10.4% in the first half of 1985; exports are down 10.6%.

A 'NASA project' for Colombia: Build the Atrato-Truandó Canal!

A multi-billion-dollar project to build the first Atlantic-to-Pacific sea-level canal was kicked off in Bogota, Colombia Aug. 8-9, at a meeting of 80 international experts, government, and business representatives. The proposed Atrato-Truandó Interoceanic Canal, whose construction the Colombian National Congress officially mandated in December 1984, will open up enormous potential for the economic development of Ibero-America, as well as of the entire Pacific Ocean basin.

The conference was sponsored by the Colombian Geographical Society, the Colombian Economists' Society (Bogota-Cundinamarca region), and the Fusion Energy Association of Colombia. The proceedings were keynoted by Guillermo Silva of the Economists' Society. The conference resolved to form a citizens' action group to organize the implementation of the project. The canal's construction, as several participants stressed, will not rely on financing from international money-center banks or from supranational agencies like the International Monetary Fund (IMF) and the World Bank.

Colombian President Belisario Betancur, an enthusiastic supporter of the canal project, who has seen prospects of funding for it eliminated by IMF pressure, sent a message of greeting and support. A speaker at the conference was trade union leader Jorge Carrillo Rochas, who two weeks later was appointed labor minister in the Betancur government.

"The Atrato-Truandó Interoceanic Canal must be our NASA, our project of interplanetary travel, our colonization of the Moon." That is how one participant characterized the importance of the biggest infrastructural project ever undertaken by Colombia.

The work, indeed, will be monumental: The canal will be 166 kilometers long; 35 meters deep; 500 meters wide at its base and 600 meters at water level. The route of the canal will go from the Gulf of Urabá, on the Caribbean (Atlantic) side, to Humboldt Bay on the Pacific, following the valleys of the Atrato and Truandó Rivers. Of the total distance, 26 kilometers are appropriate for excavation with peaceful nuclear explosions (PNEs)—the most cost-effective method.

Major (ret.) Rafael Convers Pinzón, a civil engineer, outlined the scope of the project, stressing that the wealth of the region alone—wood, coal, oil, and the



NSIP'S

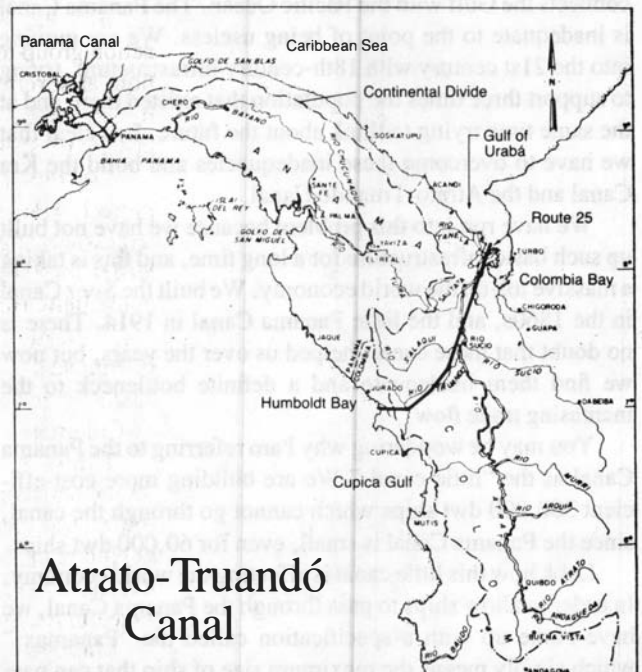
value of the land—could finance the canal. Forestry engineer Jorge Castro confirmed that the forest products of the canal area are estimated at \$2 billion. The cost of the canal is calculated at about \$5 billion.

Ramtanu Maitra, an engineer from India, editor of the magazine *Fusion Asia* and a member of the Fusion Energy Foundation, explained how an FEF organizing campaign in Thailand had succeeded in obtaining the support of important sectors of the government and population for a similar project, the construction of a canal through the Isthmus of Kra. The organizing drive there was successful, particularly because regional participation was encouraged from other countries that stand to gain from the program. This in turn provides a powerful means for overcoming regional political antagonisms.

These presentations overwhelmed the arguments of groups opposed to the canal, who prefer to see the Colombian economy subjected to the caprice of the international drug mafia and its bankers. Among the opponents of the plan are those anthropologists who argue that the rights of the Indians living in the region will be violated.

An Indian of the Ganapaga tribe, associated with the Catayumal Indian Foundation, countered this forcefully: "We Indians are not against the construction of the canal. We live in that region, but we are not going to close ourselves off, to stop the construction of the canal, until suddenly one day the waters of the canal sweep us away. The anthropologists and communists have wanted to brainwash us into opposing the development of the nation, the welfare of the nation. What we want is that our rights be respected, that we be given new lands, and that we be given direct participation in the project."

Experts from Colombia and abroad met in Bogota to launch an organizing drive to build a sea-level canal across Colombia. Shown are (l. to r.) Ramtanu Maitra, Jorge Carrillo, Daniel Palacios Martínez, Guillermo Silva, Hans Bateman, and Major (ret.) Rafael Convers. There are two principal proposals for constructing an Atlantic-to-Pacific canal at sea level: One alternative is a second Panama Canal; the second would follow Route 25 across Colombia. The canal will provide for an enormous expansion of world trade.



Lessons of Thailand's Kra Canal project

by Ramtanu Maitra

Mr. Maitra, an engineer, is the editor of Fusion Asia, based in New Delhi. This presentation was made at the Atrato-Truandó Canal Conference in Bogota, Colombia. Text abridged.

You may be wondering why have I come all the way from Asia to talk about the Kra Canal, when this conference is about the Atrato-Truandó Canal. To clarify this question, look at a Pacific-centered map that shows the trade flow through the Indian Ocean into the Pacific Ocean. With a bit of effort, trade among Asia, Africa, Australia, and the Americas can be made more prolific. In other words, the entire area can function as one family.

But we are restricted from functioning in this way because of the very few, inadequate waterways. We have a natural waterway, the Malacca Strait, in the southernmost part of Asia, which is overloaded and at present causing a bottleneck. This is a serious problem, since this strait is the only trade route that connects the Arabian Sea-Indian Ocean to the Pacific region. Then, we have the little Panama Canal which connects the Gulf with the Pacific Ocean. The Panama Canal is inadequate to the point of being useless. We are moving into the 21st century with 18th-century infrastructure, trying to support three times the population that existed then, and at the same time trying to think about the future. It is clear that we have to overcome these inadequacies and build the Kra Canal and the Atrato-Truandó Canal.

We have run into this problem because we have not built up such basic infrastructure for a long time, and this is taking a massive toll on the world economy. We built the Suez Canal in the 1860s, and the little Panama Canal in 1914. There is no doubt that these canals helped us over the years, but now we find them inadequate and a definite bottleneck to the increasing trade flow.

You may be wondering why I am referring to the Panama Canal as the "little canal." We are building more cost-efficient 300,000 dwt ships which cannot go through the canal, since the Panama Canal is small, even for 60,000 dwt ships.

Look how this little canal is affecting the world economy. In order to allow ships to pass through the Panama Canal, we have come up with a specification called the "Panamax," which simply means the maximum size of ship that can pass

through this canal. We are deliberately building inefficient carriers, and so, for example, it comes out cheaper to lay oil pipeline across the land connecting the two oceans, than to carry oil in those small ships. The constraints on the canal also mean that ships of 200,000 dwt or more, carrying iron ore from Carajas, Brazil to Japan, have to go below Africa. This has lengthened ships' travel time and fuel consumption astronomically.

Unless we are able to implement great projects, such as the Kra and Atrato-Truandó canals, we will run down the world's economy and depopulate the planet. This is already happening in Africa. The lack of infrastructure causes stagnation in productivity and in the economic process as a whole. Lack of adequate waterways and port facilities is bleeding every nation's economy, through increased delivery and handling costs. We are generating wealth and then squandering it on delivery and handling costs.

How the Kra Canal project was revived

We in the Fusion Energy Foundation [FEF] have gone through an interesting process, in reviving the Kra Canal project, which is almost as old as the concept of the Atrato-Truandó Canal project. Let me tell you how we came upon this idea.

In 1975, Lyndon H. LaRouche, Jr. visited Iraq and proposed setting up an International Development Bank, in order to realize the potential for worldwide economic development. He was aware that a large amount of cash is sloshing around, and unless this money were channeled into building up basic infrastructure, the world's economic productivity would continue to go down and the cash would be funneled into drug production, casino building, and other disastrous investments. You can see for yourself how justified his fears were.

Mr. LaRouche's proposal set some other people thinking. In 1978, Mitsubishi Research Institute (MRI) of Tokyo, under its chairman Takeo Nakajima, proposed the establishment of the Global Infrastructure Fund (GIF)—a \$500 billion fund to build large infrastructure projects. Mr. Nakajima mentioned a few projects in his initial list, which included both the Kra and Panama Canals.

In the '70s, most of the non-oil-producing developing nations had gone through economic contraction, because of the two oil-price hikes that drained these countries' economic surpluses. By the end of the decade, we found that some of the countries were again beginning to think of developmental investments.

Around 1981, the FEF began to explore with the MRI the task of bringing these projects to public notice. In 1982, a representative from the FEF visited Bangkok and met with Dr. Svasti Srisuk, former chairman of the Thailand Atomic Energy Commission. Dr. Srisuk is a strong proponent of building the Kra Canal and had studied carefully the pros-

pects of using peaceful nuclear explosions (PNEs) for digging the canal. In 1983, Dr. Uwe Parpart, Research Director of the FEF, along with Dr. Srisuk, met with K. Y. Chow of the Thai Oil Refinery Co. Mr. Chow in 1973 had financed an economic feasibility study on the canal. The study was carried out by TAMS [Tippetts-Abbott-McCarthy-Stratton], Robert Nathan Associates, and the Lawrence Livermore National Laboratory.

The Kra Canal project has a long history. It was conceived about 200 years ago by the younger brother of King Rama I of Thailand. DeLesseps, who built the Suez Canal, had done a geological feasibility study and was interested in getting the canal built. However the colonial interests in the region were too powerful at that time, and building such large infrastructure projects was politically extremely difficult. In fact Great Britain had an agreement, which remained in force until 1946, which said that Thailand would require Britain's permission to build the canal. In 1972-73, the proposed canal became a major issue in Thailand, and the Thai government was pushing the project. But in 1974, as so often "happens," a violent coup overthrew the government and the Kra Canal project was shelved again.

In October 1983, following our meetings with influential Thai individuals, the FEF held a conference, in collaboration with the Thai Ministry of Communication. LaRouche spoke at that conference and Thai Minister of Communication Samak Sundaravej inaugurated the conference. We laid out a plan for how to build the canal and discussed its importance in facilitating trade connecting the Indian Ocean economically with the Pacific region.

In 1984, we held another two-day conference in Bangkok, stressing this time the industrializing potential of Thailand that can be materialized through the building of the Kra Canal. The subject of regional participation was also discussed, and members of the Association of the South East Asian Nation (ASEAN) countries, along with representatives from Japan and India, attended.

Benefits of the canal

Now let us look at the Kra Canal project itself. What most people usually think of is the increased trade that the canal will bring into the region (Figures 1-3). Certainly trade volumes will rise rapidly, and unless the canal is built, there is no way that the Malacca Strait will be able to cope with this increase. With 700 million people in India, 1,000 million in China, and about 400 million in Southeast Asia, this would create a massive economic crisis from which the region would never recover.

However, the trade part is only tip of the iceberg. Because of the mileage and fuel saved in shortening the trade route, the canal will pay for itself in 15-20 years, counting only revenue earned from tolls charged to passing ships. But once the canal is built, and even while it is under construction,

many other interesting things will begin to happen. Thailand has significant reserves of tin and rubber, and a surplus in food production; the canal zone will be the base for developing a food-processing industry. Opportunities also exist for a rubber-processing industry: In spite of the extensive use of synthetic rubber today, the demand for natural rubber will grow, since at least 15% of natural rubber is needed to be mixed with synthetics for the production of synthetic rubber.

A major shift will soon take place in Thailand's economic outlook. Once the canal is built, it is only a matter of years before Thailand changes from being an agrarian nation to an industrial nation. Its agriculture will be more mechanized, more productive. The canal zone would make way for the development of ship-repairing and shipbuilding industries. This will bring in the development of a machine-tool indus-

To allow ships to pass through the Panama Canal, we have come up with a specification called the "Panamax," which simply means the maximum size of ship that can pass through this canal. We are deliberately building inefficient carriers, and so, for example, it comes out cheaper to lay oil pipeline than to carry oil in these small ships.

try, which most developing nations lack. Today Japan buys a large amount of iron ore from India and ships it back to Japan for processing; but in the future, Japan could set up an iron-ore-processing plant in the canal zone, reducing the fuel costs that are incurred in taking iron ore back to Japan. The same situation could develop here in Colombia. Japan would be willing to set up an iron-ore-processing plant in the Atrato-Truandó canal area, to process the Carajas ores from Brazil. Besides this, you will see the installation of marine equipment manufacturing and associated industries, which would complement the shipbuilding industry.

This is one side of the development. As in the Kra Canal zone, along the Atrato River, where you have almost no population, you will be able to build cities and bring people in. You can do that because you are building the basic necessities that go with human settlement. You will be creating millions of jobs through productive industries. Once you have human settlements in this area, the drug-traffickers will have no other

FIGURE 1
Growth of Asian trade volume
(million tons)

	1970	1980	Change %
Eastbound trade			
Petroleum	217.5	284.5	2.7
Bulk cargo	40.5	50.6	2.2
General cargo	6.0	8.0	2.9
Total	263.9	342.5	2.6
Westbound trade			
Bulk cargo	11.5	29.7	9.9
General cargo	7.7	31.7	15.1
Total	19.2	62.4	12.3

FIGURE 2
Projected growth of trade passing through Malacca, Sunda, and Lombok Straits

Type of trade	Projected compounded annual growth (%)
Japanese oil imports	5
All other Asian nations	8
Bulk traffic (raw materials, grain etc.)	8
Cargo traffic (Manufactured goods, capital goods)	10

Figure 3
Projected trade through Kra Canal, 2000-2020
(million tons)

Year	Petroleum		Bulk commercial	General cargo	Total
	To Japan	To others			
2000	360	200	135	144	839
2005	418	294	172	294	1133
2010	499	432	220	428	1579
2015	561	635	281	733	2210
2020	651	934	359	1250	3194

FIGURE 4
Cost of Kra Canal by size and construction method

Canal size (dwt)	Canal type (lanes)	Construction costs (billions of dollars)	
		Nuclear	Conventional
500,000	2	14.53	na
500,000	1	8.37	13.20
250,000	2	10.40	19.51
250,000	1	6.38	9.93

choice but to leave.

Let me tell you how the neighboring nations would benefit from the Kra Canal, even during its construction. India, which is close to Thailand, has a well-developed engineering/manufacturing sector located on its east coast. The economy of this area is weaker than that of India's west coast. Engineering facilities can be brought in to help in the canal construction, and there is a large pool of engineers and technicians available in India. These things are also useful to keep in mind, in terms of building the Atrato-Truandó Canal.

On either side of the Kra Canal, ports would be developed, and the one on the east end of the canal, the Songkhla Port, will be a deep-sea port. It will serve an area of 1,500 miles radius, developing in the process many transshipment points. How much benefit can it bring to Thailand? In order to find an answer to that, you have to know about the Europort of Rotterdam. It will surprise you that 65% of the Netherlands' revenues comes from this one port—in spite of the fact that Netherlands is a developed nation. So you see, there is no end to the opportunities that would be opened up before Thailand as well as the region.

All these points have been presented in detail to the Thai government. We have succeeded in forming a national alliance on this issue, cutting across the political spectrum. We are in the process of preparing an economic pre-feasibility study, along with TAMS and MRI, which is updating the 1973 study. This work has been commissioned by the Ministry of Communication of Thailand. The study will be in the hands of the minister by the end of September.

Recently our representative in Bangkok, Pakdee Tanapura, testified before the Thai Parliament on the Kra Canal. A 60-member commission has been set up in the Parliament to look after the project.

Last May, a Japanese delegation led by Mr. Nakajima came to visit the proposed Kra Canal site, along with representatives from Kajima, Sumitomo, Long Term Credit Bank, etc. Upon returning, they informed the Japanese government that they have formed a consortium of 20 firms to look after the Kra Canal project. The firms include Nippon Steel, Mitsubishi Heavy Industries, and Bank of Tokyo—among others.

I told you this little story to give you the concept of how such infrastructural project building is to be pushed. It must cut across the political barriers and form a hard-core nationalist alliance to look after the interests of Colombia, the region, and the world. It is important that such a process be started now, so that the canal-building can start as soon as possible.

Financing the construction

Before I conclude, I would like to touch upon the issue of financing the project. The cost, if peaceful nuclear explosions are used for blasting the last 25 miles of the mountain-

ous region, would come to about \$5 billion. This is not a large sum of money, considering that it would be spent over eight years. However, it is important that Colombia not go to the commercial banks to borrow the entire sum of money, and thus become a victim of the World Bank-International Monetary Fund.

There are ways to do this. One thing that you must do, particularly in light of the capability that Brazil and Argentina have in the region, is to push for the formation of an Ibero-American Common Market. This is quite feasible, because the entire region would benefit from the canal. Every nation's transportation costs would be reduced. That is enough of an incentive.

There is another method of financing which we suggested in Thailand, and it is favored by many government people. It does not involve any foreign exchange disbursement. Colombia should contact the interested governments and ask their help for building up the area and digging the canal. These construction companies would be paid in pesos, and once the canal is built, these countries would be allowed free passage, for the equivalent amount of foreign exchange. This is simple, and I am sure both the Japanese and the Brazilians would be more than happy to come in on this basis. A good part of the project can also be done by your own people. This is important, since it would train them in the process.

Then there is the question of PNEs. There are a great number of wild allegations about them. The problem is, that this technology has not been allowed to be used, under the pretext of concern about nuclear nonproliferation. Yet the results that the Lawrence Livermore and Oak Ridge scientists have obtained from their experiments indicate that the radiation would exceed the allowable level only within a 10-mile radius, for a month or so. This figure is not quite right, since these experiments were carried out in the '60s, and since then much better explosives have been developed—which nobody talks about. Let me tell you that the Russians have carried out more than 100 PNEs during the last 15 years, and I have not heard of any population decrease in the Soviet Union. A great deal of caution is always taken in using PNEs, and that should be continued.

But one should not get fixated upon PNEs. The canal is about 115 miles long, of which only 25 miles requires rock-blasting. The other 90 miles is silty clay saturated with moisture, an extremely easy soil to excavate. The canal can be built, because of the very high-quality excavators and earth-movers that we have developed over the years, even without using PNEs. The difference is money and time. The PNEs belong to an advanced-technology blasting process, which has a much higher productivity than that of conventional excavating equipment. The increased cost, if you do not use the PNEs, has to be borne by the Colombians, and that should be kept in mind before you hastily reject application of the PNEs (Figure 4).

How the sea-level canal can be built

by Maj. (ret.) Rafael Convers

Major Convers, a civil engineer and retired Army officer, gave the speech which we excerpt here at the Bogota forum on the Atrato-Truandó Inter-oceanic Canal.

After the Second World War, the United States noted how the traffic through the Panama Canal was growing and that this route would become inadequate in the near term. It therefore took transitional measures to increase the canal's capacity, by filling the locks in less time and increasing the total number of ship passages per 24-hour period.

The U.S. Congress, in turn, appointed a team and, with the approval of the countries concerned, designated technical commissions which researched the possible alternatives and concluded by recommending a new route through Panama, parallel to the present canal, as the most economical, and the Atrato-Truandó Canal as the newest advisable one in the second term.

Meanwhile, naval architecture broke the old molds and specifications; it launched into designing and constructing new warships and merchant ships, tankers, and transatlantic ships which can no longer cross either Suez or Panama, because they don't fit within the limitations of a lock canal.

Hence we are facing a situation in which world commercial traffic needs a new canal with much bigger specifications than the Panama lock canal, and Colombia has the opportunity to build it. Added to this is the advantage that Dr. Daniel Palacios Martínez, a Representative to the House from the province of Chocó, introduced a bill in 1983 that was passed in 1984 by the National Congress of Colombia, granting extraordinary powers to the Presidency of the Republic in order to promote the necessary studies and execute the canal project. That law, No. 53/84, was passed on Dec. 28, 1984. We trust that we are not going to end up with the law and without the canal.

It is necessary to create a mixed-economy agency attached to an administrative department under the Presidency of the Republic so that it can have sufficient autonomy and can manage the development of the canal project. This would be the juridical, administrative, financial, regulatory, and executive agency to capitalize the natural wealth of the province of Chocó and the wealth which will be generated during construction, which we are lagging behind in putting into

effect, and have lost six months, showing an incredible vacillation. The implementation of law 53 is, it seems, "bogged down."

One of the principal patriotic ends and purposes of this forum, is to awaken enthusiasm for the Atrato-Truandó Canal, showing its possibilities as the project that could save the country.

Technical considerations

If we accept that the first measure to be taken is to set up the juridical agency of the Canal enterprise, the second is to define the characteristics of the project, because the last project, which was executed in 1970, was for the construction of a sea-level canal, denominated Route No. 10, to the west of the Panama lock canal, which had a budget of \$2.88 billion (1970 U.S. dollars). In regard to our canal, the last study was that done by the late Dr. Tomás Castrillón, who was Minister of Public Works in April 1964, 21 years ago.

We have what we need to proceed to the final feasibility plan, without this keeping us from moving ahead with the great subdivision of 500,000 hectares, urban development, and the construction of the three super-ports, plus other projects foreseen for the financing of the construction of the canal. As we shall see, it is feasible to utilize the natural wealth of Chocó directly for the canal project.

We could even put up for public international bidding, the branch of the canal from the Gulf of Urabá to the mouth of the Truandó in the Atrato, where the regional transshipment center would be located, where the expressway will emerge to meet the highway from Medellín to the sea. This could be done while other aspects are being defined, related to cutting through the Baudo highlands—among other things, whether nuclear energy will be used, which would represent a 40% savings of costs and time.

The place where the canal opens into the Atlantic is currently in the process of being defined. Some have suggested that it lead to the mouth situated more to the north of the delta of the Atrato River; others that before running into the Gulf of Urabá it be joined to the León River, to shorten it, and that it come out on the southern side of the Gulf of Urabá; and a third more technical opinion, that raised by engineer Gustavo Castañeda Abbad, situates a superport at the Jeringa mouth, which has the advantage of not being affected by the trade winds, as happens with the mouths of the Tarón A, El Roto, El Coko and the eight others that look north. The same engineer says that the Atrato has a flow measuring 1,000 cubic meters of water per second, and in rainy season of 5,243 cubic meters per second.

Characteristics of a sea-level canal

In his book, *El canal a nivel*, (*The Sea-Level Canal*) engineer Demosthenes Vergara Stanziola gives interesting information on the factors to be taken into account in the

construction of a sea-level canal in Panama. We take from it the following data:

Trapezoidal form. Bottom width: 450 meters. Width at sea level: 600 meters. Depth: 85 feet (26 meters).

Costs: The sea-level canal along Route 10, according to 1970 reports, would be \$2.88 billion. I estimate that by 1985 the cost would be between \$11 and \$13 billion.

Among the port structures and infrastructure foreseen for each port are: cargo and passenger piers, conventional piers, roll-on-roll-off piers, petroleum piers for ships of 250 dead-weight tons, piers for minerals, mechanical piers, warehouses, coal piers, grain piers, piers for fertilizers, docks for toxic materials, and a six-way dock over the canal.

Just for the utilization of the canal, jobs would be created for about 24,000 persons.

The development of the Atrato Basin from the agro-industrial standpoint, plus the three superports and heavy industry, would require a large quantity of hydroelectric energy, which Chocó can produce in abundance.

The Hudson Institute of New York presented to the U.S. national government the preliminary project for the canal, the lakes, and the hydroelectric plants of the Atrato and San Juan rivers, the dam of the Atrato lake of 29 kilometers wide by 30 meters in height, which would require for its construction, materials whose cost would be beyond the country's debt-carrying capacity. But if the Atrato canal were built, the material of igneous rock could be taken from the cutting through the Baudo highlands, and the utopia of this hydroelectric plant could become a reality.

We must also mention that in 1982, the Japan International Cooperation Agency issued the master plan "Hydroelectric Project of the Atrato River." It contained a very complete pre-feasibility study of the six regularly spaced hydroelectric plants on the Atrato River, totaling a power capacity of 1,490 megawatts.

With this wealth of energy, the industrial and agricultural complex of the canal zone and the three superports will be developed, and there will be surplus energy to export to Central America. The construction of Atrato-Truandó Canal will give full employment to Colombians, bringing an end to violence. It will be the economic salvation of the country.

This possibility presumes that Law 53 of 1984 will be carried out. The nation cedes to the Atrato canal agency the natural riches that are found in the Chocó province, of which some are quantifiable and others not, but which can be captured insofar as they are offered up for sale to the public, with sufficient guarantees through an official trust entity, which could be the Bank of the Republic or some other entity which is backed by the Republic of Colombia, since Law 53/84 amply authorizes the nation to take the necessary measures to promote the studies and construction of the interoceanic sea-level canal: all with the due control and oversight of the Comptroller's Office.



Why only great projects can create productive employment

by Jorge Carrillo Rojas

The following is the text of the speech to the Atrato-Truandó conference by Jorge Carrillo Rojas, vice-president of the Union of Colombian Workers (UTC) and president of the Union of Workers of Bogota and Cundinamarca (UTRABOC). On Aug. 20, Colombian President Belisario Betancur appointed Carrillo to the post of labor minister.

The form in which the government intends to resolve the problem of unemployment is absolutely inadequate, and not only does not solve the problem of unemployment, but institutionalizes underemployment. The best proof of this is the promotion of the so-called "micro-business" [a program designed by the World Bank for a revival of 18th-century cottage industries], as "job-creating."

The jobs which the country needs must be jobs which are well paid and highly productive, in the sense of creating useful, tangible, wealth. Micro-businesses, businesses so small that you have to use a microscope to see them, do not serve to exploit our natural resources such as coal, oil, natural gas, uranium, and phosphoric rock. To base a program for the country on micro-business is to turn over the exploitation of our resources to the designs of multinational firms, which go so far as to finance guerrilla groups, while we fool around with little candy carts, and stalls which sell *arepas* and *bocadillos* [traditional Colombian foods], as if this were our supposed "autonomous" model.

The micro-businesses, what some call low-capital, labor-intensive industries, do indeed seem to employ more of the population—but with a lower salary level, which means that more people work for the same amount of income.

Let me develop this point. Let us suppose that a large firm, through lack of investment, high interest rates, and failure to modernize its technology, begins to fail. Let's suppose that this large firm is in the textile industry. A skilled worker was earning an average 60,000 pesos per month in the firm, including both direct and indirect payments. He is suddenly fired, and decides to set up a micro-business using his wife's family sewing machine.

Now, if he's lucky, he could do a little clothes-selling to the neighbors, and could get an income, perhaps equal to what he earned before, 60,000 pesos. But now he is not working alone: His wife and his two daughters are working,

too. In other words, the so-called family micro-business is using four workers, but among the four, they generate the income which was obtained before by one alone. With the micro-businesses, the working class works more, gives more manhours of labor to production, but receives the same, or less, payment than before. This is a loss for the working class as a whole, and not a gain.

This is the same monetarist and usurious mentality of all those who loudly insist that the way to create employment is to eliminate fringe benefits, to thus have more people working, but reduce the remuneration per worker. This was Hitler's idea—the Hitler who gave everyone employment in the concentration camps, where he had no need to pay any salary because people had no food, waiting to die.

The reason micro-businesses cannot provide good salaries is because of their low productivity. If modern and advanced technology is used, productivity is greater; that is, each worker produces a greater quantity of goods with less effort, and the companies are in a better position to give the workers better salaries.

Something similar occurs when productive firms reduce their unproductive expenses, such as, for example, payment of debt service. Here, the President of Peru, Alan García, has given us a great example. On the one hand, he reduced the interest rates by 50%. With the savings that the companies gained on the reduced debt payment, the minimum wage was raised 50%.

The Atrato-Truandó Canal

That is why, on many occasions, the UTC and UTRABOC have defended the launching of great economic development projects, such as the Atrato-Truandó Interoceanic Canal. Even more important than the quantity of people employed directly in the construction and running of the canal, is the increase in productivity that it would give to the whole economy. The construction of the canal would create the foundations for an initial population of 250,000 in new settlements. These people would have different kinds of jobs in economic projects which have been described here, projects which would be impossible without the canal. With the canal, we are integrating a region of national territory into the national economy.



NSIPS/Javier Almarino

A Fusion Energy Foundation exhibition in Bogota, Colombia shows a model of the proposed Atrato-Truandó Canal. Great infrastructural projects of this kind will make skilled, productive workers of today's unemployed.

For example, I have heard that Japan is interested in buying coal from the Cerrejón [region], but that it is not profitable to buy it because the Panama Canal only allows transit by small boats, in which coal transport is not profitable. With the "new" canal, we would open all the East to the export of our products. We also know that Japan wanted to buy tropical fruits, such as mango, watermelon, and other melons, from the Atlantic Coast, but they had the same transport problem as with coal. In other words, these fruits could be grown on a large scale for export.

This is the correct way to create jobs, with macro-projects which, in turn, generate macro-employment. This was precisely the idea, when, a few years ago, we proposed that the highway system be doubled in size, and the rail system the same, to integrate the country and have the infrastructure necessary for a process of rapid industrialization. This industrialization would be centered principally in the production of machine tools and heavy industry, which would permit us to have industries which produce industries, as well as capital goods. We showed that with a program of this nature, not only would the unemployed receive jobs, but we would need more people [than the current labor force] to work.

Many will ask how we can finance such a quantity of projects. I say to them, that such works finance themselves, because they are productive works. Ask yourselves, how were they able to build great projects in ancient times, with-

out the necessity of loans in dollars from international banks or the World Bank? The only thing they needed was the work of the people and the decision to carry the projects out.

We need technology? Absolutely. But technology is nothing more than work and accumulated human knowledge. The construction of the Atrato-Truandó Canal has purposes which are much more productive than those of the builders of the Great Wall of China or the pyramids of Egypt.

Let us build the canal. To those who are worried about the financing, we say that the service on the foreign debt of the Colombian government during this year will be \$1.7 billion. If we assume that this amount will be similar during the following three years, we could finance the Atrato-Truandó Canal in three years, just by suspending the payment of debt service.

This is why it is so important that we, in this forum, support the proposals which the President of Peru, Alan García, has made, to dedicate no more than 10% of export revenues to debt payment, and the proposal to integrate our countries in a common market, which would allow us to unite our efforts to carry out these great projects.

Our unemployed, who go from highly-skilled professionals to unskilled workers, are anxiously waiting to get productive jobs where they not only work to earn a living, but also feel that they are giving something to the nation and to the world. Therefore, let us build the canal!

Financing: 'I vote for national sovereignty'

by Guillermo Silva

The following are excerpts of a speech by Mr. Silva, president of the Colombian Society of Economists, Cundinamarca section, to the forum on the Atrato-Truandó Interoceanic Canal:

We have the capacity to launch a project that would be the largest Colombia has ever constructed, possibly the largest in all of Latin America. Therefore, I am one of those who believe we should not improvise, but should follow a definite method. While the various feasibility studies of the canal are being completed at maximum speed, we can be thinking simultaneously of carrying out development projects linked to the canal, and which, from our viewpoint, are the cornerstones of any program for financing the work.

I would like to speak briefly on two aspects of the project, the political and the economic. I want to emphasize that the country has made a political decision; the Congress passed a law to proceed with the canal project, and it is now the responsibility of the executive and the entire country to execute this law.

We said this afternoon that this effort would yield increasing benefits not only for the immediate region, but for the entire country. The economy would tend to take off—to use a professional term—with investment, with the effort to develop this project, such that by the time it is finished, toward the end of the century, we would virtually have another country and a dignified place among the nations of the world.

Nonetheless, we have a problem which has been commented upon by many, regarding the financing of the project. I must say that in the economics profession we are divided into two schools. There are those who follow the monetarist current, which took off with the works of Adam Smith in the Western world, but especially since 1876 in the United States, when the U.S. system of political economy was overturned and along with it, the principles upon which the U.S. economy was developed. This current is again in style, headed by Mr. Milton Friedman of the University of Chicago. I believe that at least 90% of our problem is that we have learned our profession from texts written by him.

There is no reason why a project like this must be financed with foreign money. On the contrary, it should be financed domestically. We should think of the country as a single agro-

industrial unit, like a farm. A farmer doesn't need to seek a loan from his neighbor to put up a fence; he cuts the sticks and puts the fence up within his own territory.

In addition to the monetarists, are those economists who think as I do: That which must be encouraged is the real economy, the economy of production, of physical goods. This is why engineers of all types go along with me; they create tangible works, like workers and farmers. It is not the same for us economists: We have a somewhat sad profession, because we only get to work with paper.

Nonetheless, we want to undertake the effort, as the organization of this forum was intended, to present the country with an example of an important work, a work that can be done with our passion, our workers, our sand, our cement, our iron, without need of foreign intervention except for advice that our engineers can use, particularly in the area of nuclear energy, of which we have little experience—although our brother countries in Brazil and Argentina have experience, and we are also good friends of the United States and the American people.

We know also that there are engineers in the United States who could help us with this project, but as advisers, not owners of the work, as good neighbors, good friends, so that the work will be ours, because we have a right to it.

Finally, I want to summarize the means of financing the project that have been discussed here:

- Partial concessions: Although the law says that foreigners cannot be owners of the project, it does not say that there cannot be partial concessions. I grant you a concession if you do the project for me or give me advice, and this is a form of financing.

- One of the attendees mentioned the way in which the country financed the Paz del Río steelworks, by means of forced investment or substitution taxes.

- Yesterday we heard a lengthy presentation from Dr. [Jean Louis] Serre on agro-industry as a source of financing through agro-industrial production and its export around the world.

- Major Convers reminded us that appraising the territory bordering the canal would generate another source of financing. None of this is quantified, of course, but we know that this would more than meet the needs of financing the work.

No one has said anything about this, but we have sum-
marily calculated the profits that the canal traffic would yield. I understand that Panama charges one dollar per ton. With the same traffic, we could produce around \$800 million a year once the canal were functioning. This means only 30 ships a day, just to give you some idea.

Jorge Carrillo of the UTC reminded us this morning of another means of financing, which is the patriotic position of Peruvian President Alan García, of not subjecting ourselves to the rigors that the lenders have forced upon us of tying loans to political concessions. I vote for national sovereignty on this question.

Moon-led 'Kremlinologists' back Soviet military rule

by Luba George and Mary McCourt

To date, over 250 representatives of the press, diplomatic corps, and others have attended the press conferences given throughout Western Europe by *EIR* on the looming military threat from the Soviet Union, detailed in its *Global Show-down* report. But, at the same time, those madly peddling the fraudulent, wishful doctrine of a crumbling Soviet empire have been hard at work. The week of Aug. 13-17, the Professors' World Peace Academy, founded by Rev. Sun Myung Moon, brought some 265 "Sovietologists," journalists, and over 100 observers to Geneva, Switzerland to build a consensus of opinion that the Soviet Union is in grave danger of collapse from within—and therefore, poses no real military threat to the West.

The conference went beyond earlier efforts to convince the governments of NATO nations that preparations for defense against the Soviet Union are unnecessary. Here, Alexander Shtromas, of the Department of Politics and Contemporary History of the University of Salford, England, organizer of the conference, endorsed outright the policies of the "nationalist," Third Rome military clique in the Kremlin, while purporting to do combat with the straw-man of "a-national" Soviet communism.

"Russian nationalism is incompatible with Soviet communism. . . . Whatever unpleasant aspects Russian nationalism may have . . . it is a much more humane and popular ideology than abstract and a-national communism. . . . The political victory of Russian nationalism over communism would therefore be welcomed. . . . There are no genuine Russian national interests that would be in real conflict with those of the U.S.A. or most West European nations."

Shtromas' paper was entitled, "How the End of the Soviet

System May Come About: Historical Precedents and Possible Scenarios."

Shtromas, interestingly, is a Soviet emigré. In another paper presented at the conference, "Marxist Ideology and Soviet Dissent," he wrote: "There is in the Soviet Union simply no room any more for any utopian ideologies and movements. In this respect, one could say that the politically backward Russia is a pioneer of a new political mentality which, if mankind is to survive, has to conquer the world."

The Russian monks who first proclaimed that Moscow would become the world's "Third and Final Rome" could not have said it better.

Buying souls

The Professors' World Peace Academy (PWPA) is an organization Moon personally set up at a meeting of 163 university professors in South Korea in 1973. The Geneva conference was conducted under extremely tight security and intense and constant scrutiny from members of Moon's Unification Church. Conference "security" and staffers filmed and photographed participants continually, during sessions, at meals, and in private discussions.

Papers presented included such titles as "Implications of the Fall of the Soviet Regime on Cuba and Cuba-sponsored Revolutionary Regimes and Movements in Latin America," and "The Prospects for Poland in the Event of a Cessation of Soviet Control."

Many of the participants, most of whom were Russian emigrés, admitted privately that they did not believe that the Soviet empire was in any danger of collapsing, now or in the foreseeable future, and cynically joked that they had only

come to the conference as an all-expenses-paid junket, including air fare, meals, and first-class hotels.

As the conference proceeded, however, any dissent was stilled. Discussion was tightly controlled, and only 80 of the many papers submitted were finally published by the PWPA. Any which dissented from the conclusion that the Soviet empire—and any war danger—were no longer a threat, were rejected by the conference organizers, and dissenting views were strongly criticized by Moon followers who chaired the conference panels.

One prominent conference participant told a journalist afterwards that the topic of the conference was “ridiculous. Why have a conference on the fall of the Soviet empire . . . when five-sixths of the papers proved that it is not crumbling. . . ? As the conference went on, the control over it by Reverend Moon became more and more open.”

But apparently, the PWPA was encouraged by the outcome. A huge conference is now planned on the same subject for Washington, D.C. on March 4-5, 1986. In contrast to this conference, where media access was limited, PWPA organizers are planning to maximize media publicity around the Washington event.

Immediately following the conference, a second one was held in Geneva's Hotel Penta, this time for the “activists.” CAUSA, another Moonie front operation that runs intense “anti-communist” recruiting campaigns among military and other layers in the Americas, sponsored this conference to demand a program of action “with some meat in it,” according to the *Tribune de Genève*. The CAUSA meeting was led by PWPA international head Morton Kaplan of the University of Chicago's Political Science Department, as well as Shtromas, and Karl Pribam, president of PWPA-USA and professor of neuroscience at Stanford University in California.

Again, all discussion was dominated by the policy papers of Shtromas, who organized the papers written by participants, many of whom admitted later that they had no idea that the conference was going to endorse “Russian nationalism.” Some participants, of Russian Jewish origin, have historical reason to know what “Russian nationalism” really is.

Shtromas was most keen on endorsing a military dictatorship in the Soviet Union: “The heavier the Soviet leadership's reliance on confrontational and expansionist policies is, the more dependent it becomes upon the military in overall terms,” he wrote. “The . . . Chilean model of change (. . . the same model of military takeover) can also be envisaged as applicable for the beginning of the process of political change in the Soviet Union.”

Call for decoupling

R. V. Burks of Wayne State University in Michigan, began the major speeches by proclaiming: “The chances that a system breakdown may take place in the Soviet Union within the next five years are probably better than even.”

He was followed by the keynote speech by Morton Ka-

plan, a straight-out endorsement of “decoupling” the United States from its allies in Western Europe, leaving Europe a “neutralized” region—right in the Soviets' front yard. Kaplan's paper, “American Policy in the Event of a Soviet Crisis,” states: “The obvious Russian counter [to a U.S. provocation during a Soviet “regime crisis”]—since it knows that NATO will not start either a war or a war crisis—is to not allow itself to be provoked into escalatory military spending. . . . Policies designed to reassure the internal contestants for power in the Soviet Union of American non-aggressive intentions are far more likely to convey credibility if they occur within the framework of a prior policy emphasizing such restraint. Thus, some variant of my proposal for mutual withdrawal of Soviet and American forces from the central theater and massive reductions in military strength in all nations of the central area might provide that credibility.”

Reality intervenes

Also in Geneva on Aug. 14, *EIR* gave the most recent in its series of press conferences in Western Europe on its *Global Showdown* report, “The Russian Imperial War Plan for 1988,” this time to 23 diplomats, press, and military representatives. Later, at one Moonie conference session, on “frictions among the political-military elites” in the Soviet Union, report co-author Konstantin George made a brief, effective statement on the massive Soviet war buildup and the ascendancy of Marshal Ogarkov and his war plan. George focused on the war-time high commands created since the “demotion” of Ogarkov last September.

Reaction was immediate. Max Planck Institute Kremlinologist Mikhail Voslensky, one of the most widely accepted “authorities” on the Soviets in Western Europe, demanded that the panel not “waste our time . . . discussing Ogarkov, where he is and what he's doing. Ogarkov is not important.” He demanded that the panel close for lunch, and the chairman promptly complied.

There were others, however, who didn't follow the Moonie line. Michael Checinski, Soviet military analyst at the United States Army Institute in Garmisch-Partenkirchen, West Germany, shocked the conference when he blasted Henry Kissinger for aiding the Soviets in achieving military superiority over the West in a 10-minute impromptu speech (see *Kissinger Watch*, page 61). “President Reagan's Strategic Defense Initiative has upset the Soviet goal,” Checinski continued. The Russians had not expected Reagan's SDI announcement, he said. “The SDI is a real threat to the Soviets. It's not a military challenge, but an economic challenge” which would force the Soviet Union to modernize its entire economy.

British Soviet expert Alec Nove was among those whom Checinski upset: “Checinski's remarks make one believe that anyone who believes in greater inter-cooperation between East and West are agents of Moscow . . . and that people like myself would be helping Moscow.”

Indeed.

'Russian military rule is welcome'

Excerpts from "How the End of the Soviet System May Come About: Historical Precedents and Possible Scenarios" by Alexander Shtromas, Organizing Chairman of the PWPA conference in Geneva, and professor at the Department of Politics and Contemporary History at the University of Salford, England.

. . . Russian nationalism is incompatible with Soviet communism for reasons whose explanation lies far beyond the limits of this paper. Whatever unpleasant aspects Russian nationalism may have (as have any other nationalism, especially in its exaggerated chauvinistic and/or jingoistic forms), it is a much more humane and popular ideology than abstract and a-national communism. The political victory of Russian nationalism over communism would therefore be welcomed; for the polity that would be created on its basis could be able to establish peace with its own people and substantially to reduce international confrontation, limiting it to those issues only which have a bearing on Russia's genuine national interests in contrast with the global communist ones. And there are no such genuine Russian national interests that would be in real conflict with those of the U.S.A. or most West European nations.

Moreover, the heavier the Soviet leadership's reliance on confrontational and expansionist policies is, the more dependent it becomes upon the military in overall terms. And not only because the military is the most important executioner of such policies, but also, and mainly because these policies, being likely to alienate other establishments, make the Party heavily dependent for its survival in power on the Army's support (which may one day turn from unconditional into a very "conditional" one indeed, thus undermining the authority of the Party and establishing the military's supremacy).

The experience of history shows that if a government becomes dependent for its survival on the exclusive support of one particular outside-government force, this supporting force acquires more power than the government itself and finally replaces it altogether.

This actually shows that, along with the Portuguese, the Chilean model of change (both being merely variations of

basically the same model of a military takeover) can also be envisaged as applicable for the beginning of the process of political change in the Soviet Union.

The removal of Communist totalitarianism and its replacement with Russian nationalist authoritarianism (e.g., in the form of a military dictatorship) would certainly introduce into Soviet society, at least to some extent, political pluralism which in itself is sufficient to change the country's whole social outfit from a static (and rotting) to a dynamic (and improving via adjustment) one. It will also put an end to expansionist Communist policies of the U.S.S.R. now threatening mankind on a global scale.

Excerpts from "American Policy in the Event of a Soviet Crisis" by Morton Kaplan, president of PWPA International, and a professor at the Department of Political Science, University of Chicago.

. . . It might seem to be obvious to some that the U.S. should do everything it can to stimulate, to provoke, and even to exacerbate the development of a system or regime crisis in the Soviet Union. Indeed, Georgi Arbatov of the Institute of the U.S.A. and Canada has proclaimed that such is the policy of the Reagan administration. . . . And even if the Reagan administration had such an objective, the obvious Russian counter—since it knows that NATO will not start either a war or a war crisis—is to not allow itself to be provoked into escalatory military spending. . . .

Policies designed to reassure the internal contestants for power in the Soviet Union of American non-aggressive intentions are far more likely to convey credibility if they occur within the framework of a prior policy emphasizing such restraint. Thus, for instance, some variant of my proposal for mutual withdrawal of Soviet and American forces from the central theater and massive reductions in military strength in all nations of the central area might provide that credibility. In the absence of such a radical program, at least modest reductions in military forces, including perhaps the placement of intermediate range nuclear forces into the seas, and the implementation of advanced crisis management proposals that are now being negotiated, might play a useful role.

. . . During a crisis itself, it would be advisable to coordinate with the West German government so that we can jointly announce that the territorial readjustments involving Germany and Poland that resulted from World War II will not be challenged. . . .

It may not be possible to maintain a completely hands off attitude toward developments in Eastern Europe, where Soviet hegemony lacks any legitimacy and where American sympathies will be so readily aroused. However, it might be useful during a crisis to emphasize the much maligned Yalta Accords. . . . If most of Eastern Europe appears to be pulling out of the Warsaw Treaty Organization, we should be in a position to announce that we are ready to negotiate the con-

ditions for the dissolution of NATO and for massive arms reductions in Europe. . . . The Helsinki accords to which the Soviet Union is party could also be used in similar fashion.

Despite efforts of the former kind, turmoil in the Soviet Union might produce military adventurism on the part of the leading cadres in the regime. Therefore it is highly important that the prospects for such successful aggressive behavior be shown to be minimal. This means that the defenses of the NATO area must be exceptionally strong and not vulnerable to a tactical surprise attack, because many of the measures that would be defensive would also be consistent with an offensive posture, it is extremely important that a full range of crisis control measures be in force.

. . . A Soviet system with a rational economy, and a liberated managerial class, might have much less need to expand or to threaten areas vital to American interests. Its legitimacy might be served best by technology transfers and by improved relations with the capitalist powers. It probably would be forced into certain compromises with the military, but these need not be threatening to Western interests.

Political pluralism . . . might set off the most provocative tendencies in terms of the territorial integrity of what is now the Soviet Union. Russian reaction to these nationality claims might be extremely cruel and xenophobic, producing relative pluralism only for the Russian areas but dictatorial domination for the rest. . . . It is possible that such a Russia might seek an alliance with the West against the Chinese and colored races of the world. . . .

There are forces that feel so threatened by demographic changes inside the Soviet Union that they would like to get rid of all the Asian and colored peoples and retreat to a small Russia policy. They would increase strength and fight anarchy by allying with Europe, and with other white nations. Secretary Brezhnev once said to President Nixon that a war between the United States and the Soviet Union would be a terrible thing because the world would be taken by the black and the yellow peoples.

Excerpts from "Soviet Muslims And Self-Determination: Trends And Prospects," presented by Sovietologist Alexander Bennigsen to the PWPA's Geneva conference. After reporting that the Soviet Muslim population will reach 70 million by the year 2000, he continues:

Such a situation is tolerable for Soviet leaders as long as the Muslims remain submissive and quiet. But will they?

. . . Various super-national identities—pan-Turkic, pan-Islamic, or Turkestanı—are likely to find more adherents as Muslims rediscover their cultural patrimony and as Soviet cultural forms became even more boring and oppressive. . . .

The strength of modern nationalism, which is a purely Muslim affair, will almost certainly grow, and it is possible that by the year 2000, one national group, the Uzbeks, who

by then will number about 25 million, will emerge as the dominant national force. This evolution could include the merging of Turkestanı consciousness with Uzbek consciousness, a truly important merger, for it would establish the Uzbeks as the primus inter pares among Soviet Muslims. History tells us that if Turkestan is to be united again as it has been many times in the past . . . it will once more be around the cities of Bukhara, Tashkent, Samarkand and under Uzbek leadership.

To my knowledge, for the time being at least, there is no organized Muslim nationalist dissent movement . . . but, it is already possible to see the first trends in the evolution of native nationalism and to speculate on the different ways in which it could mold itself. . . .

[Soviet Muslim] intellectuals believe that for the foreseeable future the cultural and economic prosperity of the Mus-

The political victory of Russian nationalism over communism would be welcomed; for the polity that would be created on its basis could be able to establish peace with its own people and substantially reduce international confrontation, limiting it to those issues in Russia's genuine national interests in contrast with the global communist ones.

lim nations of the U.S.S.R. is better linked with the prosperity and might of the Soviet Union as a whole. They conclude that the U.S.S.R. must maintain its present form. In exchange, Muslims have to be treated as partners and be allowed greater access to decision-level positions. . . .

Those who advocate or are likely followers of this line of argument are members of the native nomenklatura, who will undoubtedly remain loyal to Moscow through self-interest, rather than ideology. . . .

These intellectuals—including many from the younger generations—believe that the Soviet Union will someday crumble and that the Muslim republics will be free to make other political and economic alliances. Russians and other "European" settlers will be expelled and natives will assume responsibility for their own affairs. Events along the Soviet Central Asian borders—in Afghanistan, Iran, and increasingly, China—will encourage this line of thinking, as will the growth of the younger Muslim population.

Excerpts from "The Impact of Defense Policy Options on the Dynamics of Soviet Economy," presented by Michael Chencinski, Soviet military analyst at the United States Army Institute, Garmisch-Partenkirchen, West Germany, to the Geneva PWPA conference.

. . . We will not understand the connections between Soviet defense and economic policies *only* by looking at the current economic development of the U.S.S.R. and its urgent military needs. Any comparison with the military programming of Western countries is also unproductive because of the U.S.S.R.'s peculiar economic phenomenon already outlined, and also because of the very different economic and military-political philosophy by which the Soviet decision-makers operate.

To start with Soviet military technology and military acquisition planning: Western scholars often err in thinking that this planning is directly related to economic growth or to the living standard of the population, or as a response only to the military-technological challenges of the West. While each of these factors influences Soviet military planning in some respects, the short- and long-run supply and R&D plans of the Soviet Armed Forces are guided by the following main priorities:

1) The technological and industrial capacities of the country (not necessarily equal to the economic capacities).

2) The abilities of the Soviet Armed Forces to adopt the supplied weapons and equipment in peacetime and wartime.

3) The military (strategic, tactical) advantages which the quality of the weapons and equipment delivered may have, and how fast they can change the current or potential balance of power with the expected enemy.

These priorities may be overruled under extraordinary technological, economic, military or political circumstances. This may be the case with the American SDI. . . .

There is no doubt that finding an "answer" to the American SDI program will dominate military-technological priorities for the years to come. We can predict a large-scale undertaking in the economic and technological programs to modernize Soviet military-related industries, and to develop as fast as possible their micro-computer, laser, robot, and similarly important technologies. Into these main programs most available resources will be channeled. Technological spying and sophisticated foreign trade operations will help fill the most troublesome gaps in their know-how. This does not mean, however, that in the process of carrying out both their military and their economic modernization programs, the U.S.S.R. must duplicate Western technological solutions. The Soviets will strive to be independent in all respects in military-technological fields.

The U.S.S.R. has 5-10 years to achieve its military-technological space program. With their tremendous capacities and very centralized and planned economy, this is plenty of time to solve even very difficult technological and economic programs. But, if 5-10 years will not be enough to

meet fully the American technological challenge, the Soviet leaders know perfectly well that the mercy of the "imperialists" is abundant, and there will be no danger of a war unless it is provoked by the Soviets themselves.

The American SDI program makes the U.S.S.R. nervous not because of its purely military consequences, but because of its implications for the Soviet economy. To repeat, the seriously outmoded industry, agriculture, infrastructure, etc. urgently need tremendous costly investments. A large share of resources and much of the R&D capacities will be devoted to the "Counter SDI" program. We should ask, why the necessity to develop the Soviets' "star wars" technology faster, when, for many years in any case, this program has been part of the Soviet space technology program, has frustrated the Soviet military commanders and political leaders for primarily economic reasons?

In the early seventies the U.S.S.R. started an unprecedented military build-up to become equal to and even stronger than NATO. The program absorbed all those resources which were so badly needed to modernize basic industry. Most probably Soviet military-industrial planners, directed by Brezhnev and his closest advisers, believed that, with the creation of a superior military power, they would be free to act around the world without worrying about Western interests or a military threat from the U.S.A. and its allies. Being strong, they could then divert resources for modernizing the basic and military industries in order to meet the technological revolution of the coming century. President Reagan's SDI program, from the day it gained financial support and started developing, created a fear that this interim period of superiority would very quickly be replaced by a period of weakness. . . .

Yet, despite its very high costs the program can be fulfilled by using part of the large production and R&D reserves of existing industrial branches. For a faster "counter-SDI" program, the Soviet Union must build extremely modern and very costly new facilities, new R&D institutes and testing ranges, as well as totally new industrial branches, whose size and kind cannot even be correctly forecasted. Such a formidable combination explains why Soviet political and military leaders are so frustrated. This frustration may force them to consider more seriously the consequences of their current difficulties and expected troubles. All this may subsequently influence their arms policy and their behavior in international affairs.

If all this comes true, we will be able to say that for the first time a leader of the USA initiated a program with the potential from space to force the most aggressive nation on earth to look for a common language with its adversaries and to find a way to a more peaceful coexistence. This can become a reality if the interim period of Soviet military weakness will be long enough to substantially change the political thinking among the ruling elite of the U.S.S.R. If this happens, the biggest winners will be the long-suffering nations of the U.S.S.R. and its East European captured "allies."

Book Review

R. Moss's alliance with the Red Army

by Laurent Murawiec

Moscow Rules

Robert Moss

New York: Pocket Books, 1985

A military coup d'état shakes Moscow and the world. The Communist Party is dissolved, and so is the Soviet Union, replaced by the Union of People's Republics. The coup leaders are a group of young Soviet army generals, mostly drawn from the *spetsnaz*, the elite killers of the Red Army, whose wartime job includes, in particular, the extermination of enemy leaders, operating under the GRU, Soviet military intelligence. Having pulled off their coup, they immediately make peace with Western nations.

That, at any rate, is what happens in the latest novel by British "anti-Soviet" intelligence expert Robert Moss, whose previous book, *The Spike*, published in 1979, was co-authored by then *Newsweek* correspondent Arnaud de Borchgrave, who has since become the editor-in-chief of the Moon sect's newspaper, the *Washington Times*.

EIR was always a bit suspicious of Robert Moss. Now, our suspicions are confirmed.

For example, if one finds the "anti-Communism" pushed by the Moon sect's various front operations and their collaborators a bit strange, as evidenced in the recent Geneva conference of the Professors World Peace Academy calling for support for a Red Army dictatorship in Moscow—as a "nationalist, anti-Communist" proposition—read Mr. Moss's book. This lays out a form of the scenario the Moon sect is pushing—and it is, of course, pure KGB disinformation.

First, Mr. Moss spares no amount of gushing sentimentality to make the Western reader empathize with his hero, *spetsnaz* Major-General Sasha Preobrazhenskii, a true son of Mother Russia, tempted by God, whose heroic officer of a father had been murdered in 1945 by a secret police thug while he was trying to save a German woman from being raped by other secret police thugs.

If that isn't enough to establish our hero's moral credibility, Sasha—lest the reader have gotten the notion that the

Russian officer corps' leadership is violently anti-Semitic—falls in love with a Jewish girl, and her suicide in the Gulag only strengthen Sasha's resolve to smash Communism.

Just to make sure, Mr. Moss pushes his hero into the arms of another Jewish lady, this time an American. Once Sasha Preobrazhenskii's moral standing has thus been impeccably established, the author can credibly tell us how his poetry-loving, anti-Communist young man climbs like a meteor through the ranks of the Soviet military *nomenklatura*.

Helped by a KGB dissident (!), Sasha, who has married no less than the daughter of the Soviet Chief of General Staff Zotov—apparently a composite of Marshals Zhukov and Ogarkov—sets out to organize his anti-Communist coup. With childish fantasies, Mr. Moss orchestrates a *spetsnaz* raid on the Kremlin which captures the whole Politburo.

Sasha et al. are in power. Their first concern is to make peace with the United States, and let Eastern Europe secede from the Warsaw Pact, the Muslim Republics drift away, etc. (Why, what on earth else would a *spetsnaz* junta want to do?)

It's that simple. We in the West have only to support the brave new Russian generals, and their dictatorship will deliver us from the "Communist" threat.

Back in the rooms of the Disinformation Department at the GRU (and their neighbors at the KGB), the collaborators of Marshal Ogarkov are rubbing their hands. The celebrated "Western intelligence expert" known for his militant anti-Communism, regularly displayed in Moss's "The Intelligence War" column of the London *Daily Telegraph*, advocates Western cooperation with and support of the nationalist, Russian military, against the naughty Communist Party bureaucrats. The readers all root for Sasha, and are emotionally gripped by his tragic fate and his ultimate triumph. In this book, the Soviet threat has been done away with—and more, by the very people who now pose that threat, Ogarkov's Red Army command.

The reader will by now have noticed that what Moss presents as fiction, is exactly what Moonie conference organizer Alexander Shtromas presented as incisive political analysis of future Soviet developments. In the context of the Moon sect's Geneva conference treated in this report, Mr. Moss's fictional account is more revealing than reams of academic paper by Kremlinologists.

While Marshal Ogarkov is preparing a Soviet first strike against the West, there is a current in Western intelligence and political circles that advocates collaboration with the enemy. To strengthen their proposition, they introduce false distinctions—between "Russian nationalism" and "Soviet communism," and similar wild, infantile fantasies to be used to brainwash the Western public and government leaderships to the effect that the deadliest enemy our civilization has ever known, the "Third Rome" military junta behind the heirs of Andropov in Moscow, are actually our best friends.

If anyone had questions about who Mr. Moss really works for, this miserable pretense of a novel will tell them.

The pitfalls of the current explosion of 'spook wars'

by Criton Zoakos

Increasingly since May of this year, an intense war among intelligence services is being waged which, judging from the morsels of information reaching the surface of publicity, must be one of the most bloody and intense ever fought. The latest news from this front prominently includes the spectacular defection to East Germany of West Germany's chief counter-intelligence officer, Hans-Joachim Tiedge, and the highly emotional revelations of KGB usage of "spy dust" chemicals to track American diplomats.

The Soviet government daily *Izvestia* claimed that the "spy dust" scandal was a figment of the CIA's imagination, circulated for the purpose of derailing the scheduled Reagan-Gorbachov summit in November. In the days prior to the eruption of the "spy dust" affair, the U.S. government had announced its decision to resume anti-satellite (ASAT) tests, successfully test-fired one MX missile from inside an ICBM silo, and announced that the Geneva arms talks would collapse unless the Soviet Union "drastically changed its attitude toward the Strategic Defense Initiative."

The context in which these moves are made has been increasingly shaped by bloody violence. Since May, it has included murders and beatings of American uniformed personnel in East Berlin by Soviet soldiers; cold-blooded assassinations of American soldiers in West Germany by GRU-deployed terrorist teams of the Red Army Faction (Baader-Meinhof Gang); bombings of American military installations; assassinations of American-allied figures and other pro-Western influentials by KGB- and GRU-run Libyan and Syrian killer squads; cultivation of riot and destabilization schemes in numerous U.S.-allied nations such as the Philippines, Saudi Arabia, and Turkey. The landscape around the globe has been slippery with blood.

However, the current intelligence war in West Germany and France, should be seen in context of the specific fight between U.S. and Soviet rival agencies to control the outcome of the "arms-control" negotiations and the Reagan-

Gorbachov summit.

The Aug. 20 "defection" of Tiedge, who was in charge of all West German counter-espionage activities against East German infiltration efforts, came in the context of the "disappearance" of numerous other East German spies who had already infiltrated key sensitive positions in West Germany's national security institutions. Promptly upon Tiedge's "defection," NATO and other Western officials claimed the event to be a "major blow" to Western security, causing "extensive damage," and so forth.

From the circumstantial context, it is evident that Tiedge did not "defect" but rather was close to being exposed, or probably had been exposed and was running for his life. His confederates who are reported to have "disappeared," with their current whereabouts unknown, may or may not have also "defected to the East." It is virtually certain that, whether they disappeared in the East or somewhere in the West, in both instances their real role had somehow become known to Western intelligence agencies.

Is there in progress a large-scale operation to ferret out senior East bloc infiltrators and agents from Western agencies? Was Tiedge a victim of such an operation? Will West Germany's Foreign Minister Hans-Dietrich Genscher also fall victim of this operation? Why was Genscher in Syria, of all places, on the day that East German radio announced Tiedge's "defection"? Will other senior West German politicians, such as Richard Burt's friends Horst Ehmke and Egon Bahr, succumb to a similar fate?

Then take the case of France: As part of the Socialist President François Mitterrand's preparations to receive Soviet party chief Mikhail Gorbachov in Paris in October, the head of the French counterintelligence organization, DST, was fired from his position on the grounds that he was excessive in his anti-Soviet zeal and would thus have been an affront to the distinguished visitor from Moscow. After this, the "Rainbow Warrior" scandal broke out in France, which

eventually may prove fatal to both Mitterrand and to Gorbachov's visit to France: French military intelligence officers allegedly blew up in New Zealand the Greenpeace flagship "Rainbow Warrior," which was about to sail into the French nuclear-testing area in the Pacific in order to prevent any further scheduled French nuclear tests. New Zealand's Socialist Prime Minister David Lange called the act "just short of a declaration of war." President Mitterrand ordered a sweeping investigation and review of the French intelligence services. The ousted director of the DST published a lengthy report providing information that the Greenpeace organization is not really an environmentalist group at all, but a highly sophisticated technological espionage organization run jointly by Soviet and British intelligence.

Will Mitterrand's intelligence adviser, Regis Debray, be able to refute the DST's charges against Greenpeace? What will the implications be if he does? Or if he fails to?

During the beginning phase of the French intelligence scandal, the following remarkable episode occurred in the Paris International Airport: A consignment of approximately 40 copies of *EIR*'s glossy, 368-page "Global Showdown" report, shipped from Wiesbaden, West Germany, was held up by French customs authorities for about a week. Customs claimed that the report included remarks which were disparaging to M. Regis Debray, a French government official. In

the course of *EIR*'s efforts to recover the consignment, a "higher authority" claimed that the report, if it circulated in France, would have damaging effects upon the upcoming visit of Gorbachov.

Eventually, "Global Showdown," which was already listed as official reading material in a number of West European parliamentary committees and military staffs, was allowed to go through French customs. Subsequently, the influential Paris daily *Le Monde* published a major, complimentary review of "Global Showdown," as did numerous other French publications.

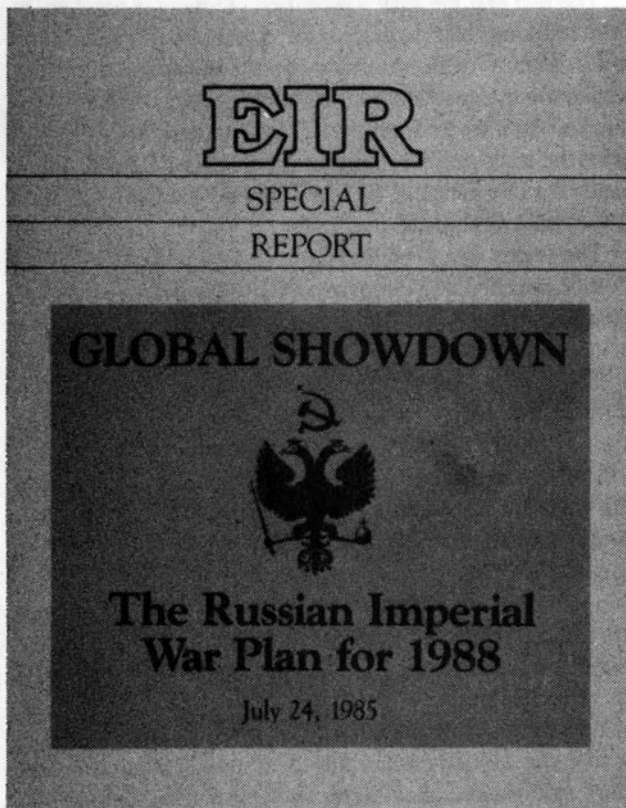
Also, *Le Monde*-associated French military analyst Michel Tatu, a personage of some weight in NATO circles, arrived at a Geneva conference on the Soviet Union to uphold the basic findings of *EIR*'s "Global Showdown" report.

The conference was organized by Rev. Sun Myung Moon's Unification Church, and its subject was "The Decline of the Soviet Union." It included some 250 "specialists" and argued that the West should support the Soviet nationalist officers corps, most notably Marshal Ogarkov's faction, against the Communist Party leadership, suggesting that there is a difference between the two (see "Conference Report," pages 30-34). We shall come back to this later.

First, we note that the recent spy scandals in France and Germany were preceded by the following little-noticed episodes: During late May, the First Secretary of the Soviet embassy in Athens disappeared from the face of the earth, and was said to have defected to the United States; in mid-June, the First Secretary of the Soviet embassy in Rome vanished and was said to have defected to the United States; at approximately the same time, a senior Soviet scientist by the name of V. Aleksandrov, the inventor of the pseudo-theory of "nuclear winter," disappeared from the face of the earth and was said to have defected to the West. All three men are reputed to have extensive knowledge of Soviet covert operations in Western Europe.

Then suddenly, a TWA passenger plane was hijacked from Athens to Beirut, and a new hostage crisis began to unfold. American, Syrian, and Soviet authorities concealed from the world that among the hijacked passengers were no fewer than five senior American intelligence officers. During that period, Vice-President George Bush, a former director of the CIA, then visiting Europe, stated that he would spare no efforts to free the hostages. It will be recalled that those hostages were freed simultaneously with an announcement from Moscow and Washington that a "breakthrough" agreement had been reached, to hold a summit between President Reagan and General Secretary Gorbachov in late November.

Does the information supplied by the defected Soviet diplomats have anything to do with the subsequent intelligence shakeups in Paris and Bonn? And with the Moonie conference in Geneva? Did the circulation of the *EIR*'s "Global Showdown" report influence the latest turn of events around the scheduled Reagan-Gorbachov summit? We intend to supply partial answers to these questions in next week's issue.



EIR's Special Report: The French are afraid it will wreck the upcoming visit of Mikhail Gorbachov. And they are not the only ones who are scrambling.

State to Marcos: Devalue or else

by Linda de Hoyos

The State Department has laid down new conditions, relayed through Ambassador Stephen Bosworth, for continued U.S. "support" of the government of President Ferdinand Marcos, which include a further devaluation of the Philippine peso. This is like supporting a man by tying him up on the rack.

The program that has been imposed on the Philippines since 1983 by the International Monetary Fund, which has a lot of State Department "input" according to State officials, has already nearly broken the back of the Philippine economy. The IMF forced a peso devaluation early in 1983, reciting the standard IMF line that devaluation will lead to greater competitiveness on the world market, and hence greater exports. This, in turn, is to bring in increased foreign exchange, that can be used to guarantee payment of the country's foreign debt.

Nothing of the sort has happened. According to figures released by the National Economic and Development Authority, the country's exports in the first six months of the year fell by 10.6% from the 1984 first semester. The decline for the whole year may be expected to range from 10.8% to 17.6%. The NEDA had earlier projected, based on IMF promises, a rebounding of exports by 10%.

The Philippines has a manufacturing export base in micro-chip production and textiles, among others. Industry and government sources point out that exports have fallen because the domestic monetary policies—high interest rates, also demanded by the Fund—have pulled the economy to its worst pre-war recession and made export production highly expensive. Thanks to the devaluation, imports in the first six months of 1985 have declined by 10.4%, forcing a sharp cutback in the purchases of raw materials needed for export production.

In addition, nine months of stalling by commercial banks on granting trade credits to the Philippines means that mechanisms for importing will not translate into actual funding for imports until the beginning of next year, at the earliest. In the meantime, many Filipino industries have either slowed down, or ceased production altogether. In the last year, industrial production has fallen by 17%.

Exports of the Philippines' traditional commodities—sugar and coconut—have also continued to plummet. In the case of sugar, the country is now selling sugar for 3¢ a pound, when production costs are between 14-16¢. The Philippines Coconut Authority further reports that exports of coconut

products have fallen by a drastic 38.2% in the first six months of this year.

Given the expected downturn in U.S. imports, as the cheap-import-led U.S. "recovery" grinds to a halt, and the increasing threat of protectionist measures against particularly the textile industry, Filipino officials see no possibility of reversing the downturn.

Marcos takes the rap

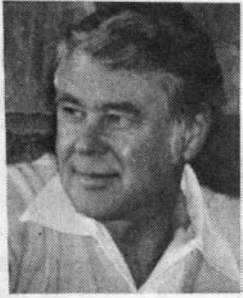
Even conceding the State Department's commitment to IMF policies, Bosworth et al. are fully aware that if the Marcos government meets U.S. conditions, which include reform of the military, reform of the election process, and the break-up of the sugar and coconut monopolies, the destruction of the government is assured. Bosworth et al. know that it is Marcos who is taking the rap for the destruction of the Philippines economy.

In a speech July 28, for example, former Foreign Minister Arturo Tolentino demanded that Marcos step down because his—that is, the IMF's—economic program has reduced the country to a shambles. "We are made to believe that we are on the road to recovery," said Tolentino. "So much emphasis is given on help from outside. . . . It is as if the Filipino people can no longer help themselves. . . . We practically surrendered a great part of our sovereignty just to get help from outside."

The fact that the IMF's promised recovery is nowhere in sight, rebounds back to destroy the credibility of Malacanang Palace. Marcos confronts major opposition coming from both businessmen, especially in the Makati district of Metro-Manila, and from the trade unions. The communist May 1 Movement, the trade union arm of the New People's Army, commands the allegiance of no more than 60% and no less than 30% of trade unionists.

The major source of Marcos's staying power is the lack of unity and economic program in the opposition. As *EIR* has reported, Ambassador Bosworth meets regularly with the various factions of the opposition, coordinating its activities.

The Marcos government is not unaware of the State Department's duplicity. In a statement Aug. 19, acting Foreign Minister Pacifico Castro charged that the United States has violated its mutual defense pact with Manila, by meeting with the leadership of the separatist-terrorist Moro Liberation Front. Castro reported that the U.S. embassy had refused to reply to his demands for an explanation of the meeting, in which Moro leader Dimas Pundato, self-exiled in Libya, met with officials of the State Department, the National Security Council, and the Pentagon. Castro declared that the meeting was not only "unusual" but "unfriendly," and a violation of the 1951 mutual defense treaty. "We asked for an explanation because the MNLF faction that is abroad is bent on secession," said Castro. According to Washington sources, the State Department not only met with the Libyan-backed separatists, but also promised them funding, if they came out against the Marcos government.



Interview: Senator John Melcher

Senator slams State Department, IMF 'meddling' in the Philippines

Senator John Melcher (D-Mont.) is an outspoken critic of U.S. State Department policy toward the government of Philippines President Ferdinand Marcos, last year calling the Reagan administration's policy one of "benign neglect," at best. Senator Melcher has repeatedly blamed IMF economic constraints for fueling, not stemming the political destabilization of the Marcos government. Melcher has traveled widely in Southeast Asia. He was interviewed on Aug. 9.

EIR: What are your views on current U.S. economic policy toward the Philippines?

Melcher: As you may know, I have placed several entries in the *Congressional Record* over the last month, on the State Department's attempt to block wheat sales to the Philippines. . . .

But let me zero in on three main points. These points are: First, our overall goal is to maintain our two bases at Subic Bay and Clark Field. The strategic importance of these bases cannot be exaggerated too much. Cam Ranh Bay, which we built up, is now available to the Russians, and their ships now patrol the area as with their air force. This capability would not exist for them except for Cam Ranh Bay. Simply reciting the facts on these bases makes clear their strategic importance.

Our lease arrangement for the bases has never been satisfactory to the Filipino people. While the Filipinos like us, the more aligned they are with us, the worse we treat them. These bases are our most important bases on foreign soil. But we pay at last two and a half times more the amount of rental for our bases in Greece, Turkey, and Spain, than we do for our bases in the Philippines. . . .

So our number-one goal is the retention of the friendship with the Philippines, which leads to the retention of our bases there, despite the low terms we pay for our lease.

The second goal must be to help the Filipinos stabilize their economy.

Our third goal is to enable Gen. [Fidel] Ramos to remain in control as Acting Chief of Staff of the Armed Forces, and

be given all the authority and backing to deal with any abuse. This is extremely important in terms of the constabulary. The fear of the people, especially in the hinterlands, is that if they attempt to cut off all ties to the insurgency, they will be killed.

But what is State Department policy? To meddle around, to tinker around, whether it's selling wheat, dairy products, or rice—instead of exerting our effort on our major goals. . . .

EIR: State Department policy right now is that President Marcos should be removed. Do you agree with that?

Melcher: We have to wait on the Filipino people for that to see what they decide. There are election processes in the Philippines and if there is nothing done to call a quick, snap election, then Marcos's term will be up in 1987. If he is a candidate, he may or may not be elected. There's the question of his health. I would say that if the opposition parties unite, and have a strong candidate, then the opposition has a strong chance of winning. . . .

But we can't control that. It's up to the Filipinos to decide this. People vote in the Philippines, and at a very high percentage—80%. They are very political. . . .

EIR: You have been to the Philippines numbers of times and also recently. Is it true that Marcos, as he is referred to in the press here, is another dictator like Anastasio Somoza of Nicaragua, for example?

Melcher: No, nothing like it. What is decried here as evidence that Marcos is carrying out a poor policy, is recognized in the Philippines as good policy. For instance, the imposition in 1972 of martial law. That looks bad to us, but to the Filipinos it represented a turning point in the development of their country. Marcos broke up the small private armies and took away their guns. He stopped the use of weapons by people who had money, and said that henceforth defense is a function of the state. This was very much appreciated by the people of the Philippines. The second point is that Marcos used martial law to break up landholdings of landowners, and issue credit to the farmers through government agencies.

The rice farmers could buy the land and keep it. This was recognized as a major turning point. It's true that martial law probably outlived its usefulness. . . . But out in the hinterlands, the peasants, who live in barrio after barrio, believe that the Marcos regime is a good one. They will probably vote for Marcos as their choice. That's not true in Manila, where the feeling is decidedly anti-Marcos.

These are matters for the Filipinos to decide. Marcos is a very intelligent, astute leader whose roots are based in the democratic process. But any regime of 20 years in any country will begin to have problems holding on to power. The same Filipino who says he should go, that he has done some wrong things, will also say he did some good things, that he initiated things that had never been done before.

As for the State Department, they can do the positive things for the country much better than they are. The Filipinos want the bases to stay, but the bases can become a political football and then we're in trouble. Our policy should be one of open friendship, instead of trying to dictate.

EIR: According to our reports, the State Department is working with the group called "We Belong" of young military officers, in order to create a coup potential against Marcos.

Melcher: Well, we should stay out of that! It's like me trying to deal with my neighbors, and since I don't get what I want, I go to their children; well, I'm not going to get much from the parents after that! That's exactly what's wrong with our policy. Let them handle this. It's their own military. If we try to do that, we're crazy. We should deal with no lesser a level than Marcos himself, and Ramos and the immediate people around them. We have to deal with the opposition groups, have discussion with them. And we can deal with the Church. Cardinal Sin is approachable—knowledgeable of the situation in the Philippines. But to try to undermine the government with some other group, this is nonsense. It's damaging to our interests.

EIR: What do you think of the policy of the International Monetary Fund toward the Philippines?

Melcher: We have subverted our own interests, when we should have told the IMF they're crazy. The IMF has a passion for interfering in Central and South America. We should have taken the lead in stabilizing the Filipino economy, more than a year ago. We didn't have to wait for the IMF to come in. We were waiting, just holding our position, with no policy. . . .

The cronyism issue brings up a basic fear in the Philippines. The Filipinos don't like cronyism—the process whereby those who are in power award their friends to their own benefit. But the Filipinos also fear a new administration will bring in a new cronyism. . . .

Our interests lie totally in the well-being of the Filipino

people, and getting their economic recovery to move forward. This is true in regards to all our allies, but it is true in spades for the Filipinos.

We have to change the policy of the State Department. We must create reciprocal trade agreements with the Philippines, beginning with sugar. There is no other sugar-producing country where we have as much strategic interest as in the Philippines. This is the most important export for the Philippines and rather than giving the best deal in this commodity to the Dominican Republic—nothing against the Dominican Republic—we should be giving it to the Philippines. They need it now very desperately. The people of Negros are suffering in a very terrible way. There are other commodities in which we should arrange reciprocal agreements.

Food is absolutely essential. This must be the first step in dealing with the insurgency, because a hungry man is an angry man, and it is angry men who make up the insurgency. We don't want to make the Filipinos angry. We should be acting like a big brother to them—no, even that term is wrong. We should act like a concerned first cousin toward them, a friend.

I also personally advocate a renegotiation of the lease to pay the same amount of rent for those bases as we pay for bases in other countries. These are two positive steps in meeting our three major goals.

What happened on the wheat deal with the Philippines was that the State Department said the Philippines could purchase the wheat, but because the food minister is a close friend of Imelda Marcos's who might run for president but would be bad news, we wouldn't ship it. All that is, is slop out of the State Department's meandering thoughts. The Filipinos are a very polite people and naturally happy and witty people. Their politeness causes them often not to respond. They are very articulate and they can make an adequate response when they want. But they hate to tell their friends how callous and insulting they are to their friends. So that when the State Department did this, they said nothing, until finally, when the State Department refused to ship the wheat unless it went outside government agencies, the Filipinos finally spoke up, and the deal was pushed through.

EIR: What has been your personal interest in the Philippines?

Melcher: I think the Philippines is the gateway to what I see as a very important trade market for the United States. The Philippines could be a tremendous market for our high technology and for our agricultural commodities. The people are ready, and when the economy of the country is ready, this will be an extremely large market. But right now we should allow the Filipinos to decide these issues for themselves. The Philippines is going through some chaos now, no, I would say unsettled times now, not because of political pressures, but primarily because of economic pressures.

Soviet involvement in Sri Lanka

by Ramtanu Maitra

The second round of negotiations between Tamil dissidents and the Sri Lankan government opened on Aug. 12 in Thimpu, capital of Bhutan, in an atmosphere of uncertainty. Tamil terrorist attacks on civilian targets in Sri Lanka in recent weeks point to the fact that Tamil extremists, financed and instigated by both Moscow and Tripoli, are determined to sabotage the talks.

The progress of the talks is not known at this writing, but the urgency of positive motion toward a negotiated settlement of the ethnic conflict which has wracked the small island nation for several years is plain. Just as the crises in Punjab and Assam in India, the Sri Lankan conflict has been an avenue for destabilization of the Indian subcontinent.

Since the meeting in India in June between Sri Lankan President Jayewardene and Indian Prime Minister Rajiv Gandhi, the Indian government has played an active role in assisting a constructive process of negotiations.

Soviet role surfaces

Given its pivotal location in the Indian Ocean, both superpowers have courted the Jayewardene government. But recently, there has been a dramatic increase in Soviet and related efforts to bend the island nation to its designs. This has become particularly visible since July 1983, when riots between the majority Sinhalese and the Tamil ethnic groups rocked the island to its base.

During these two years, the Soviets have openly sided with the Tamil secessionists and attacked the duly elected Jayewardene administration for killing of Tamil civilians. During this same period, Libya's Qaddafi has developed a liaison with the Tamil terrorists and provided them with significant amounts of cash. There is a link between the Tamil terrorists and George Habash's PFLP organization.

The Soviet modus operandi in Sri Lanka involves both overt and covert operations.

Moscow found the Tamil-Sinhalese conflict an "appropriate" issue to explore because of two well-calculated factors. First, it is a fact that the Tamil minorities are treated by the Sinhalese, in general, as second-class citizens. Second, the Tamils originated from India: Across the Palk Strait, which separates the mainland from the island of Sri Lanka, lies the Tamil-majority state of Tamil Nadu. Moscow knew well beforehand that once the Tamil-Sinhalese bloodbath

started, public opinion within India would force the Indian government to get involved. In the Soviets' calculation, India would mount a military intervention on the island on behalf of the Tamils, or intervene in some other way to topple the Jayewardene government.

Although Moscow has succeeded in exploiting a crisis in the region, the cutting edge of the Soviet gambit has been somewhat blunted by the skillful diplomacy of the Indian government and the Reagan administration's reluctance to fall into the Soviet trap. The U.S. government publicly acknowledged that India is working for peace in Sri Lanka. It has also been acknowledged by both the Sri Lankan government and the moderate Tamil leaders that India's role in defusing the situation has been most helpful.

The Soviets' first demonstrative move took place in 1971 when Mrs. Sirimavo Bandaranaike, now leader of the main opposition party, the Sri Lankan Freedom Party (SLFP), was prime minister. One Rohana Wijeweera led a series of Maoist-style urban guerrilla raids in Colombo in an attempt to seize power. Wijeweera, who is commonly described as a pro-Peking communist, studied at Moscow's Patrice Lumumba University where the Soviets provided him with basic guerrilla training. Wijeweera's role in the recent Tamil-Sinhalese conflicts is not clear. Reports from Sri Lanka indicate that he has gone underground.

From another corner, the pro-Moscow Communist party of Sri Lanka has consistently opposed President Jayewardene's government. In 1982, the government referendum to extend the life of the parliament by another six years was widely supported by the population—it was passed by more than a two-thirds majority—but Communist leader Peter Keuneman called it "terrorism and fraud."

In 1984, when the Sri Lankan government called for an all-party conference to defuse the tense and hostile atmosphere that followed the July 1983 riots, the Communists boycotted the talks. The same Sri Lankan Communist leaders were seen marching around Moscow prior to the first round of peace talks in early July of this year in Thimpu, Bhutan.

The terrorist-separatist and the "opposition party" tracks have been complemented by a steady dose of diplomatic muscling. Since 1981 Moscow has been involved in pressuring Sri Lanka to play an active role as the chairman of an Indian Ocean peace conference to be sponsored by the United Nations. In January 1981, Colombo was visited by a Soviet delegation bent on entrapping Jayewardene into a propaganda war against Washington. But Jayewardene disagreed with the Soviet assertion that while Moscow aimed at peace, the United States was creating tension in the region.

In February 1982, another Soviet delegation was back to threaten Jayewardene that if the conference did not materialize, they would have no option but to compete with the "growing United States military presence in the Indian Ocean."

Papandreou moves for strategic crisis on NATO's vital southern flank

by Phocion

On Aug. 15, at the feast of the Dormition of the Virgin, Greek Socialist Prime Minister Andreas Papandreou issued an Order of the Day to the Greek Armed Forces, which, among other notable matters, emphasized the following:

"On this holiday, I am overjoyed and proud of the Armed Forces of our country, because it is on these forces that our nation rests, it is these which are its shield against any and all threats to its independence and territorial integrity. And just because this present period in world affairs is extremely turbulent and our own geographical region especially burdened, therefore the Greek people and its political leadership support the work of national defense by all possible means. I believe that today, the nation's Armed Forces are as ready as never before, with high morale and daily improving armaments, so as to offer the opportunity to consolidate peace in the region."

Papandreou chose to issue this statement on the Feast of Dormition of the Virgin Mary because by tradition going back to the early centuries of the Byzantine Empire, the Virgin Mary, "Our Lady the Protectress General" is celebrated as the patron of the Armed Forces. Papandreou's allusions and appeals to the Greek military contained certain culturally specific barbs and allusions against neighboring Turkey virtually indiscernible to a foreigner. The appellation "Our Lady the Protectress General" in Greek Orthodox ritual is applied to the Virgin Mary to denote her attribute as the military defender of Constantinople, the capital of the Byzantine Empire, now Istanbul, Turkey's principal European city, straddling the strategic Bosphorus Strait.

Prime Minister Papandreou made his allusions in the context of certain broader military developments in the region:

First, a few weeks earlier, the Greek Armed Forces, over which he presides both as Commander-in-Chief and Defense Minister, had concluded an ambitious major military exercise, codenamed *Parmenion-85* which simulated a comprehensive land, air, and sea assault against Turkey. The significance of *Parmenion-85* was that it was conducted almost simultaneously with a Soviet military exercise, *Kavkaz-85*

which simulated an ultra-sophisticated invasion of Turkey's eastern borders to the west and south of the Caucasus mountains. The Soviet exercise had a naval complement simulating the conquest of the Bosphorus and Dardanelle Straits, including the city of Istanbul.

Second, just prior to his Aug. 15 Order of the Day, Papandreou had concluded a series of secret military arrangements with Bulgarian President Todor Zhivkov, then on a state visit in Athens. These Papandreou-Zhivkov arrangements and agreements are understood to be aimed against Turkey and to further involve the cooperation of Syria, Turkey's other neighbor from the south. It is notable that Todor Zhivkov's only public speech in Athens during his visit was a vituperative tirade against Turkey.

Third, a matter of alarm for Turkish military leaders, the Soviet government appointed a new commander of the Black Sea Fleet, Rear Admiral M. Khronopoulo, a Soviet officer of Greek ethnic origins, in an area of the world where such matters carry significant political and military connotations.

In short, the Soviet military command has been judiciously exploiting the undercurrents of irredentism which the Socialist Mr. Papandreou has chosen to revive amidst Byzantine pomp and allusion. The Soviet purpose in cultivating and exploiting this irredentist revival is to neutralize Turkey, the last remaining reliable NATO outpost in the Eastern Mediterranean and to take control of the Bosphorus and Dardanelle Straits, thus securing naval supremacy in the Mediterranean.

So far, Soviet exploitation of the cultural and political peculiarities of the region toward this purpose has been masterful, occasionally reminiscent of the style by which Palmerston and Disraeli once "handled" the region. The Greek Socialist prime minister has so far acted as an ideal "asset" for this Soviet policy.

An imminent new Cyprus crisis

On the same Aug. 15, Papandreou as Defense Minister carried out the following changes in the commands of critical military districts neighboring Turkey:

Lieutenant General John Arabatzoglu, till then first Dep-

uty Chief of Staff of the Army, was made Commandant of the Fourth Army Corps, facing European Turkey across the Maritsa River. The former Commandant of the Fourth Army Corps, Lt. Gen. Eugene Sanidas was made First Deputy Chief of the General Staff of National Defense. Maj. Gen. Demetrios Matafias, military commander of the island of Mytilene, was promoted to lieutenant general in preparation for appointment as Chief of Staff in the National Guard of Cyprus. Finally, Air Force Brig. Gen. Philip Macedos, Greek air attaché in Washington till recently, a man of considerable left-socialist and pro-terrorist leanings, was appointed Deputy Chief of the Central Intelligence Service, the KYP. General Macedos is, reputedly, an intimate and a protégé of Air Force Lt. Gen. N. Kouris, the Chief of Staff of the Greek Armed Forces, the only known Greek member of the P-2 masonic lodge of Italian notoriety, in which Henry Kissinger is a participant, of some sort.

According to experienced observers, these critical personnel shifts are very close to indicating the possibility of some sort of military action against Turkey—always in conjunction with Bulgaria and Syria—sometime between September and October of this year, and definitely before the scheduled Reagan-Gorbachov summit in late November.

The island of Cyprus will play the central role in such a crisis, not necessarily as a battlefield, though this may not be precluded, but definitely as the central political and emotional rallying point. Andreas Papandreou and his governing clique, with the tacit assistance from the head of Greece's putative opposition party, the neo-conservative New Democracy's Constantine Mitsotakis, have announced that they shall finally open the "Cyprus Dossier" and "reveal all."

The significance of this is the following. The "Cyprus dossier" is an extensive set of top secret archives of Greek foreign policy from approximately the end of World War II to approximately 1980, the period of history during which Greece was ruled by conservative, pro-Western, pro-United States parties and personalities. The principal foreign policy aspiration of Greece since the end of the Second World War, was the liberation of the Greek island of Cyprus from British colonial rule and its incorporation into the Greek state.

During the years of the war, Prime Minister Winston Churchill had signed protocols with the Greek government in exile and also made numerous public pronouncements promising that in the event of Allied victory, the British Empire would agree to return the island of Cyprus to Greece, given that its population then was over 90 percent (and now is 85%) of Greek nationality. After the war, the British government reneged on its promise and opted to keep Cyprus as a British Crown colony.

From that point on, parties and politicians in Greek national life were judged by what they did and failed to do with respect to this national, anticolonial aspiration. Immediately after the successful defeat of the Moscow-inspired and controlled Communist insurgency in 1950, an anti-colonialist

revolutionary movement was launched in Cyprus against British rule, led by the legendary Gen. George Grivas, with the tacit support of both the Greek national government and significant U.S. influentials who later coalesced around the Eisenhower administration.

General Grivas and his EOKA organization launched the postwar period's first anti-colonial war by means of a series of impressive rural and urban guerilla campaigns which defeated Britain's best strategists, including the British military "genius" of the day, Field Marshal Lord Harding. British military defeat was covered up by British diplomatic guile which produced the 1959-1961 treaties and agreements preventing Cyprus' incorporation into the Greek state and instead producing the fragile and fictitious entity of the independent Republic of Cyprus, based on a British-authored constitution which did not last for more than two years.

This British-authored "solution" to the "Cyprus problem" has been the cause of crises and instabilities in the region from 1960 to this day.

Greek politicians snatched diplomatic defeat from the jaws of military victory by means of a long string of compromises and sellouts. They made mistakes which proceeded from their frequent capitulations to British initiatives, capitulations buttressed by American confusion and an overly deferential perception of what the "interests of the Western Alliance" were, on the part of the Greeks themselves.

This record of 20 years' worth of Greek diplomatic disasters never became known to the Greek people, only the final results. The "Cyprus Dossier," is supposed to contain in sordid detail the specific personal failings, incident by incident, of all the principal Greek political figures of the period who had led the country in the Western Alliance. Papandreou's intended purpose in revealing the "Cyprus Dossier," is to demonstrate to the population that being a "pro-Western" political leader in Greece is tantamount to "national betrayal," and then, draped in Greek flags, lead his nation to fight on behalf of Russian strategic interests. As the unraveling of Papandreou's "Cyprus Dossier" tactic will proceed in the weeks ahead, we shall have certain remarks to make to that Socialist gentleman. Meanwhile, one reminder to him about his own and his father's betrayals on the Cyprus matter.

During the 1963-67 period when Papandreou first joined a Greek government led by his father George, there existed a plan to unite Cyprus with Greece and fully integrate the island into NATO. British and Soviet interests at the time joined to prevent the implementation of this plan, then known as the "Acheson Plan." Archbishop Makarios, already broken and compromised by British intelligence, and Andreas Papandreou, with a group of conspirators known as the ASPIDA conspiracy, were then the principal instruments of the British/Soviet operation to kill the Acheson Plan. The opening of the "Cyprus Dossier" will be incomplete unless it sheds light to Papandreou's real role in the ASPIDA affair.

'See Moscow and die'

That seems to be the lesson for the Danish Social Democrats this year. A tale of three stooges.

On Aug. 13 a clear-cut warning was given to the anti-NATO left wing of the Danish Social Democracy: "Beware, it is dangerous to your political health to visit Moscow."

This message came in the form of the spectacular announcement by the former Social Democratic Foreign Minister Kjeld Olesen, that he will retire from all political activities. The reason for his decision was the outcome of a scandal surrounding his and two other leading Social Democrats' visit to Moscow in October of last year.

The irony of the whole thing is that the scandal had been initiated by himself. But what really happened remains to be seen. Either Kjeld Olesen, once an internationally renowned star of the Danish Social Democracy, whom the *Times Magazine* in 1975 named as one of the world leaders of the future, made a suicidal political mistake or he was set up in an unusual Machiavellian way by unknown forces in Denmark.

The fatal scandal started on July 5, when Kjeld Olesen announced in the Social Democratic paper *Aktuelt* that he felt that he and his fellow socialists, who had accompanied him on the trip to Moscow, had been branded as "moles" by the Danish military intelligence. Kjeld Olesen had been informed by one of his military contacts that his visit to Moscow had been mentioned in the secret military intelligence newsletter *SIK-Nyt* under the column "Subversion."

The story caught on in the press like wildfire, but already the day after,

on July 6, both the Defense Minister Hans Engell and Prime Minister Poul Schlütter denied the whole story, stating that there had been no mention of the trip whatsoever in *SIK-Nyt* except for a small reprint of an announcement from *Pravda* mentioning the visit, and this was not even under the headline, Subversion.

But Kjeld Olesen insisted, claiming that his source was 200% reliable. Therefore, the prime minister invited Kjeld Olesen to look through the issues of *SIK-Nyt* to see if he could find the infamous article. Olesen accepted the offer and came out looking quite stupid. There had been no such article.

Obviously, the military contact of Kjeld Olesen, whom Mr. Olesen himself claimed was a close friend, had fed the former foreign minister to the lions, and on Aug. 13 he accepted the consequences, and withdrew from politics. Friend or foe, the unknown informant certainly did the Western Alliance a favor.

As laughable as the story might seem, the background was more than serious enough. In October of last year, three high-level Social Democrats decided to pay the Moscow leadership a visit to present their version of the disarmament proposal of West German Social Democratic éminence grise Egon Bahr and Swedish Premier Olof Palme, for "Nuclear-Free Zones in Scandinavia."

The three stooges were former Foreign Minister Kjeld Olesen, former Energy Minister Poul Nielson, and the self-proclaimed champion of the

new Social Democratic anti-NATO policies Lasse Budtz.

In a series of meetings with top level Soviet officials, including Central Committee member Boris Ponomarev and Academy member Georgii Arbatov, the ridiculous and dangerous proposal for "de-nuclearization of Scandinavia" was discussed. Despite the fact that the entire Northern Flank of NATO, i.e., Denmark and Norway, and also Sweden and Finland is totally void of any nuclear weapons, the Soviets made it crystal clear that they have no intention whatsoever to remove their missiles from the Kola peninsula or the Soviet-occupied Baltic countries of Estonia, Latvia, and Lithuania.

Nonetheless, the three stooges returned from their trip to Moscow claiming that they had received "positive signals" from the Soviets on the idea of "Nuclear Free-Zones." This resulted in a majority decision in the Danish Parliament on May 3, 1985, which forced the Conservative government to work actively for the establishment of a "Nuclear-Free Zone" in Scandinavia. The decision stipulated that the "Zone" should be guaranteed by both the United States and the Soviet Union.

Having learned nothing from his trip to Moscow and even less from the tragic fate of his travel companion, Lasse Budtz continued his blind subversion of Danish national security on Aug. 19 by stating to the communist paper *Land of Folk*, that due to reluctance on the side of the Americans to accept the idea of "Nuclear Free Zones," it would be enough to have the guarantee from the Soviets in order to establish this "Zone." Obviously, this would surrender Danish national security into the hands of the Soviets. One is tempted to say: "Mole Scoreboard: One down, two to go."

A movement above parties

Oligarchs of both traditional parties are running scared at the emergence of a powerful new force.

When President Betancur appointed Jorge Carrillo Rojas, the outspoken vice-president of the UTC trade union federation, as his new labor minister, irate Liberal Party presidential candidate Virgilio Barco protested at not having been consulted.

Barco, like his political associate, former president Alfonso López Michelsen, has good reason to be nervous. The first trade unionist in decades to be brought into a cabinet, Carrillo is guaranteed to raise the white hairs of Colombia's oligarchy, of which oil-rich Barco and bank-rich López are exemplary members. In particular, Carrillo's declared-war on the International Monetary Fund and the drug trade may well take aim at certain figures, in both his own Liberal Party and the ruling Conservative Party, whose relations with the Fund and the drug mob are an open secret.

Barco's complaint at Carrillo's nomination was less than subtle. *El Tiempo*, the newspaper behind López Michelsen, was hardly more sophisticated. In an Aug. 22 editorial, *El Tiempo* "praises" Carrillo for his dedication to labor's cause, but adds: "He reminds one of the legendary José Raquel Mercado. His style is similar to the sacrificed leader." Trade union leader Raquel Mercado was assassinated by M-19 terrorists in 1974. *El Tiempo* adds, "We hope Dr. Betancur won't turn [the Carrillo appointment] into a populist trampoline for his return to power."

The Carrillo appointment was a surprise move by Colombia's unor-

thodox President. It must be seen in the context of Betancur's drive in this, his final year in office, to forge a supra-party movement of nationalist forces which can prevent the drug-tainted oligarchy from recapturing the presidency in 1986.

That supra-party movement was formally launched in mid-August when Liberal Party dissident Luis Carlos Galán Sarmiento announced to an outdoor rally of 50,000 supporters that he would challenge the official Liberal and Conservative candidates for the presidency. Galán, although a Liberal, and Betancur, although a Conservative, represent elements within their respective parties determined to rid the nation of the mafia-allied parasites in Colombia's political class.

In the weeks preceding Galán's announcement, he held lengthy negotiations with Betancur's ally inside the Conservative Party, J. Emilio Valderrama. Valderrama had hoped to challenge the neo-fascist Alvaro Gómez Hurtado for the Conservative presidential nomination, but was unable to break through the web of promises and backroom deals by which Gómez had secured his candidacy. So, Valderrama moved to join forces with the "Galanistas," establishing the foundation of a new nationalist current which might be capable of duplicating Betancur's 1982 landslide victory—for Galán.

Although Carrillo, a member of the Liberal Party, is not part of Galán's "New Liberalism" faction, his

principled fight to protect the working class from the ravages of IMF austerity and mafia exploitation has consistently placed him at odds with the party leadership.

Betancur is prohibited from interfering in the electoral process. Nevertheless, on Aug. 10, he told the press that Colombia's voters would most likely reject both Barco and Gómez, a conclusion which was, "of course," not his own, but rather the private opinion of Uruguayan President Julio Sanguinetti, "one of the most knowledgeable individuals on Colombian politics."

Said Betancur, "As the number of independent voters has grown, they will surely not vote for either López, Barco, or Gómez Hurtado, but rather—with a zeal for new faces—for Galán Sarmiento."

Galán, at a banquet of his New Liberalism faction Aug. 14, denounced the official Liberal and Conservative candidates as "tied to a political class both wasted and filled with vice." The drug mafia, he said, has infiltrated the two "traditional" parties by financing electoral campaigns. He compared the Liberal and Conservative party leadership to two hippopotami, who one week earlier, had mauled a fisherman to death when he accidentally stumbled upon their river-bottom nest. The animals had been brought from Africa by one of Colombia's wealthy cocaine mafiosi.

"These hippopotami," said Galán, "are like the party machinery, especially when they lie with their mates in zoos abandoned by individuals with huge and shady fortunes. . . . The party machines—like the hippopotami—sleep quietly, but if they awaken frightened, or their love-making is disturbed, they are momentarily dangerous. . . . However, their huge and slow bodies won't allow them to go very far."

Report from Paris by Georges Bosquet

Who wants France out of the Pacific?

The big campaign about a blown-up Greenpeace ship aims at ousting France from the South Pacific.

The scandal-mongering about the role of French intelligence in sinking an environmentalist protest ship in New Zealand on July 10, overlooks the most important fact of the incident: that "Greenpeace," the outfit deploying the ship, is run by the same forces that want France ousted from the South Pacific.

The sinking of the Greenpeace ship, which killed one crew member, sparked the biggest police investigation in the history of New Zealand. A French-speaking couple with forged Swiss passports was arrested, while the police are also searching for three French citizens believed to be their accomplices.

There is little doubt in Paris that New Zealand is using the scandal to weaken France in the region. New Zealand Prime Minister Lange in a TV interview warned that if France were proven responsible for the sinking, he would consider it an act "just short of war."

The incident occurred after moves by the British Commonwealth countries in the region to collapse their ANZUS military pact with the U.S. Led by Australia and New Zealand's Labour regimes, most of the South Pacific called for a nuclear-free zone earlier this year, a move strongly contributing to the Sovietization of the region.

It is also known in intelligence circles that Australia collaborated with Libya and the Soviets in fomenting the rebellion in New Caledonia, the French overseas territory vital to both French and U.S. security interests.

As charges were published that the

French intelligence service DGSE had sunk the ship, information was released saying that the ship had carried espionage equipment to analyze the testing of the French neutron bomb. The stated intention of the Greenpeace ship was to protest France's nuclear tests, by leading a fleet of small ships into the testing site, the Muroroa atoll.

It was also revealed that the person killed in the explosion, a Portuguese-born photographer, was a member of a Soviet peacenik front, the World Peace Council, and that the Greenpeace Paris office is at the same address as the KGB-linked pro-terrorist sect Longo Mai.

Prime Minister Laurent Fabius, acting on orders from President François Mitterrand, commissioned an investigation to carry out a "rigorous study" of the incident. Mitterrand sent a letter to New Zealand's Prime Minister David Lange, assuring him that France would "shed all light" on the affair.

French intelligence sources suggested that the sinking of the ship was a plot, instigated by the British—maybe in collusion with the Quai d'Orsay, the French foreign ministry—to discredit France in the South Pacific. According to French radio, the couple arrested with false Swiss passports were working for the defense ministry to ensure the security of France's nuclear tests. They were spying on the Greenpeace ship, but had nothing to do with its sinking.

Greenpeace announced that a new, much larger ship left Amsterdam on Aug. 18 to protest the French nuclear tests. In response, Mitterrand ordered

France's armed forces to prevent "by force if necessary" any attempt to enter the off-limits test zone.

While the president of the Gaullist RPR party, Charles Pasque, during a debate in the National Assembly called for the resignation of the premier, sources in Paris say that Defense Minister Charles Hernu is more likely to be sacrificed.

In the heat of the debate, few people care to take a look at the facts behind the scandal. The French weekly *Minute* says Greenpeace is "financed by large petroleum trusts and supported by the Soviet Union [which] uses the pacifist and humanitarian movements as the National Socialists in Germany did 50 years ago. This is the very same technique, using the very same feelings and the very same churches."

Emerging from the leftist anti-war movement and the Socialist International, Greenpeace was founded in 1971 in Vancouver, Canada, from where it spread out to Holland, Switzerland, Britain and its Commonwealth. It has been established that Greenpeace and its secretive "international council," which meets every year in Canada, are covertly funded by British Petroleum (BP), the British and Dutch oligarchy's World Wildlife Fund, and the leftist Protestant World Council of Churches.

These organizations all have close ties with the Soviet KGB. BP, for instance, is known for funding Iran's Tudeh party, a KGB asset. The World Wildlife Fund works closely with the Club of Rome and the International Institute for Systems Analysis, which both have heavy Soviet inputs. The World Council of Churches cooperates closely with the Russian Orthodox Church in "securing world peace," i.e. undermining Western capabilities internationally.

An 'open door' for Eastern spies

The Interior Ministry, occupied by Christian Democrats since March 1983, should introduce security screening.

Since early August, the rumor kitchen in Bonn has been buzzing with spy stories. On Aug. 5, Mrs. Sonja Lueneburg, longtime personal secretary of Bonn Economics Minister Martin Bangemann, did not return to her job. She has been missing since, and an initial police search of her apartment produced evidence that she might have worked for East Germany's espionage network.

The Lueneburg case was quite an embarrassment. She worked as a personal secretary for numerous Free Democratic Party leaders since 1966, which means that for almost 20 years, she was able to monitor that party's policy-making. Since the FDP was a coalition partner in all Bonn governments since 1969, she was also able to monitor discussions in the cabinet. This alone was of high value for East-ern secret services.

The second spy case, which broke on Aug. 19, involved Mrs. Ursula Richter, who had worked at the national headquarters of the German Expellee Organization for about 12 years. She had access to all fundraising and financial files, and biographical data on the membership. The organization, which represents the interests of about 12 million Germans expelled from Germany's previous provinces in the East by the Red Army in 1944-45, has always been a prime target for Soviet propaganda against alleged "German revanchism."

The third spy case is that of Manfred Rotsch, whose trial officially opened on Aug. 19. Rotsch was an engineer in charge of the German share in the Tornado jetfighter project at

Germany's most prestigious aerospace producer, Messerschmitt-Bölkow-Blohm Corporation in Munich. When his cover was blown in October, he had worked for the KGB for at least 15 years.

All three cases have one thing in common: Each of the three worked at his important post for a long time, and none had ever gone through a tight security clearance procedure, in spite of a biography which should have alerted the relevant agencies. Mrs. Lueneburg's official resumé was that of a woman who had resided in East Germany, and then moved into West Germany via France in 1966. Mrs. Richter's life history was the same, except that she came in through Canada in 1964. The case of Rotsch is even more striking: Working as a young airplane engineer in East Germany until 1955, he moved to West Germany in May 1955, and immediately started to work on projects of new airplane technologies. Rotsch has worked at all prestigious aerospace corporations since then.

Once the covers of the three were blown, police and the agencies' investigations produced some very interesting stories. Mrs. Lueneburg, for instance, turned out to be somebody else, who had taken the identity of a woman with the same name, who lived in West Berlin until 1966, moved to Colmar in France, and disappeared. The current "Mrs. Lueneburg" entered West Germany from Colmar, in 1966.

Ursula Richter apparently took the identity of another woman with the same name, who moved back to East Germany in 1966 after years in Cana-

da. Rotsch's case is simpler, since he turned out to have been recruited by the KGB in 1954, and to have worked for the KGB ever since.

Since 1969, when the first socialist-liberal government coalition was formed in Bonn, the traditional security clearance procedures have been steadily eroded. Especially the Free Democratic Party, which held the Interior Ministry from 1969 to 1982, forced through an extensive "liberalization" of counterespionage procedures. With few exceptions, the various agencies dealing with security affairs were not able to exchange data on suspected spies. It was ideal for foreign agencies to plant agents and spies in prominent positions. In 1974, when the scandal of Günter Guillaume, the personal aide to Chancellor Willy Brandt, forced Brandt to resign, some light was shed on this dark aspect of politics in Bonn. Also in spring 1979, when several ranking aides to Bonn politicians moved back into East Germany, and about 40 agents were detected afterwards, the alarm bell should have been rung. But it didn't, due to the FDP's insistence on "liberalization."

It was Interior Minister Hans-Dietrich Genscher (in that office from 1969 to 1974) who personally intervened against a security check of Mrs. Lueneburg in 1969 and 1972, when her boss, William Borm, was under scrutiny. Borm has contacts to East Germany, and there was evidence that he and his staff were tied into some kind of high-level East espionage operation—passively, or actively. Borm's case was turned down, and so was Mrs. Lueneburg's. Even in 1976, when two years of debate after the Guillaume affair produced some tighter security screening in Bonn, Mrs. Lueneburg was not checked thoroughly, nor was Mrs. Richter.

Andreotti's 'brutta figura' in Erice

Despite the foreign minister's assurances, no Soviet delegation showed up for the conference in Sicily on nuclear war.

It was supposed to be his political triumph, but it turned into a pathetic *brutta figura* (poor figure) for him before the whole world. Italian Foreign Minister Giulio Andreotti, known for his pro-Soviet and pro-Libyan sympathies, in numerous interviews and statements, had assured that this year's international conference on nuclear war at the Ettore Majorana Center in Erice, Sicily, would be visited by a "top-level" Soviet delegation.

Andreotti boasted that he got assurances of this from both former Soviet Foreign Minister Andrei Gromyko and from the current one, Eduard Shevardnadze, whom he met in Helsinki in early August. Shevardnadze had promised Andreotti a Soviet delegation of 12 scientists, led by Gromyko's son Yuri, and including two Nobel laureates and three vice-presidents of the Soviet Academy of Sciences.

Not only did the Soviets not send any "top-level" delegation to Erice. They sent none at all. They did not even send a message of excuses. This forced Andreotti to read his pro-Soviet speech in front of the American delegation alone, and to go out of his way attempting to justify the Soviet absence.

"I would like to interpret the absence of the Soviet scientists," Andreotti proclaimed, "as a precaution due to particular circumstances, rather than as a step backwards in the scientific community's constructive wish for peace."

The "particular circumstances" mentioned by Andreotti refer to the mysterious disappearance of a Soviet diplomat in Rome and the internationally publicized disorders in Sicily.

"Andreotti is very smart," an Italian daily commented. "He tries to imply that it was because of the mafia that the Soviets did not come. But their absence can only be due to political reasons. This year, in Erice, as Antonio Zichichi said in his opening speech, the scientists knew that they were invited to work out concrete peace proposals." Professor Zichichi is the Italian scientist who hosts the Erice conference.

"Their absence is not important, because in the past they never contributed to the discussion, and their behaviour was never logical," commented Edward Teller, the scientist leading the American delegation to Erice. In his speech at the conference and in interviews to the Italian press, Teller emphasized, "The Soviets speak against the SDI, but they are ahead of us in the development of their own defensive systems." Teller revealed that the Soviets have already tested a powerful laser system in Sari Shagan and an anti-missile radar, which violates the ABM treaty, in Krashoiask.

While Soviet party boss Mikhail Gorbachov maintained an icy silence, President Ronald Reagan sent a message to the Erice conference, assuring that the SDI "is not aimed at reaching any superiority, but just to keep the strategic balance." Reagan confirmed

Teller's accusation that "the U.S.S.R. has today the only existing anti-missile system, and long ago launched an intense research program in many of the fields that the United States only now is starting to explore."

Even the sponsor of the conference, Prof. Zichichi, had to admit that the Soviets are avoiding being confronted with facts. "If they isolate themselves," he said, "they will have to take the responsibility in the eyes of the world for their lack of openness."

An odd detective story around the Erice conference seems to confirm, that the Soviets are not at all open to discussing the SDI. Soviet mathematician Vladimir Alexandrov, one of the few Soviet scientists who, two years ago in Erice, personally signed a call for exchange of information on SDI research, disappeared in late March in Spain. According to Edward Teller, Alexandrov "might not be alive."

"The news of his disappearance," Teller said, "filtered into the West thanks to his wife, who was very worried and phoned from Moscow to some Western friends of hers, asking for news about her husband." According to Teller, Alexandrov did not escape to the United States, as some have suspected.

In the beginning of August, another Soviet official, Vitali Yurtshenko, also disappeared, during a tour of the Vatican museums. Yurtshenko was to have taken care of the security of the Soviet delegation in Erice. The Soviets stick to a "no comment" attitude on these strange events.

As for the pathetic Andreotti, who dreamed of using his personal success with the Soviets at the Erice conference to launch his campaign to become Italian prime minister in September, forming a new government with the communists, this was probably the worst *brutta figura* in his whole career.

A birthday present for the nation

The Assam settlement closes another window of vulnerability for India's security.

Addressing a huge Independence Day rally from the ramparts of the Red Fort in New Delhi on Aug. 15, Prime Minister Rajiv Gandhi announced that an accord with protest leaders in the state of Assam had been signed.

"We hope that this will reduce yet another source of tension which will enable India to pay due attention to development with more speed," Prime Minister Gandhi told the nation.

"The biggest challenge before us is that of India's unity and integrity," he said. "Only 10 months back, the world was wondering whether India would remain united or be torn asunder. Today this question does not arise. Today the world is seeing a very strong and powerful India."

The Assam settlement came less than a month after Gandhi concluded an agreement with dissident Sikh leaders in Punjab. The troubles in Assam and Punjab have provided opportunities to strike at India from abroad, as in the brutal Sikh terrorist assassination of former Prime Minister Indira Gandhi in October 1984.

Only the two communist parties in India have declared themselves opposed to the settlement.

Indeed, Prime Minister Gandhi's effectiveness in cutting the ground out from under the plot to destroy India as an independent nation has enhanced the danger to his own life. Aware of an ongoing live assassination threat against the prime minister, Indian officials took extensive security precautions around the celebrations at the 16th-century Moghul fort, from where

India's first prime minister, Jawaharlal Nehru, declared the birth of the nation in 1947.

Days prior to the signing of the accord on Assam, Gandhi had visited Assam to announce that New Delhi would give priority to all-round development of the strategic northeastern border state. Largely underdeveloped and underpopulated, Assam contains one-third of India's hydroelectric potential, a third of the onshore oil and natural gas resources, along with huge reserves of coal, limestone and other essential minerals, and great forest wealth. Fifty percent of India's tea comes from this region.

The prime minister announced that a cultural center and university would be set up in Assam for the entire northeastern region of India, and appealed to the people of Assam to create an atmosphere "congenial for speedy implementation of developmental activities." It was clear from his reception in Guwahati, the capital of Assam, that he had struck a responsive chord. Within 24 hours the dissident leaders were in New Delhi negotiating to break the stalemate in the dispute which has evaded solution for six years.

The Assam dispute erupted in April 1979 when, during an election campaign, the opposition to the Congress (I) party in the state accused the Congress government of deliberately allowing foreign nationals, from neighboring Bangladesh as well as the Indian state of West Bengal, to settle in Assam. The protesters claimed that

Congress was trying to turn the local citizens into a minority group and load the electoral rolls with "foreigners" to win the election.

Braintrusts from abroad and within India moved in quickly to redefine the issue, calling it a struggle to "preserve the Assamese identity." During 1983 the agitation took a sinister turn with Hindu-Assamese defending their rights against the "infiltrating" Bangladeshi Muslims. In a coordinated move, London-based Muslim fundamentalist operators began an international slander campaign against the Indian government and Indira Gandhi.

In the last six years, waves of violence rocked the state and more than 3,000 lives were lost. Foreigners were banned. Indira Gandhi met the agitation leaders on numerous occasions in a vain effort to resolve the issue.

The settlement came at 2:45 a.m. after 20 hours of continuous negotiations. The main features of the agreement are dissolution of the Assam state assembly, controlled by the Congress Party since 1983, with new elections to both the state assembly and the 14 parliamentary seats to be held at a convenient date. The state will not be put under president's rule, usually the practice in India in the absence of an assembly, but instead a caretaker government will continue in power until the new ministry is formed.

It has been further agreed that all those who settled in Assam prior to 1966, or whose names appeared on the 1967 electoral rolls, will be considered residents of the state. Those who came to settle in Assam between 1967 and 1971 will be removed from the electoral rolls for a period of several years, whereupon they may become legally resident voters. Those who moved into Assam after 1971 will be relocated out of the state.

International Intelligence

Sikh moderate gunned down

Two Sikh gunmen, disguised as policemen, assassinated the moderate leader of India's Sikh population, Harchand Singh Longoval on Aug. 20, as the Sikh leader was delivering a speech in the state of Punjab. Longoval, the head of the Sikhs' Akali Dal Party in the state, last month reached an accord with the government of Prime Minister Rajiv Gandhi, essentially settling those grievances of the Sikh people which have kept them at odds with the central government for several years.

On Aug. 18, the Gandhi government announced that elections will take place in Punjab on Sept. 20, lifting the "President's rule" that has existed over the province since early 1984.

Also on Aug. 20, Sikh terrorist assassins murdered two leaders of Gandhi's Congress-I party in Punjab. The assassins reportedly burst into a meeting room and shot the two leaders.

Indian government sources say that Sikh terrorists were plotting to kill Rajiv Gandhi himself on the same day—his birthday—but the plot was foiled by security forces.

Sudan looks to Moscow for arms

The East African nation of Sudan, starvation wracked and now under the rule of a military junta which overthrew long-time President Gaafar Numayri in April, has announced that it will send a military delegation to Moscow to purchase weapons.

Sudanese leaders also recently signed a friendship treaty with Muammar Qaddafi's Libya, in part, it is said, to obtain promised financial aid from the Soviet-puppet dictator. Feelings against the United States in this formerly allied country stem largely from U.S. State Department support for the policies of the International Monetary Fund, and threats of U.S. aid cut-offs unless the starv-

ing nation complies with IMF demands for further austerity measures—a blueprint for genocide.

Feelings are also reportedly strong against the country that was once Sudan's closest ally, Egypt, where the exiled Numayri currently resides. Qaddafi is known to have designs for the overthrow of the Egyptian government and/or assassination of President Hosni Mubarak.

The new tanks and MiG-25s the Sudanese seek to purchase from Moscow "are being bought to fight Egypt, which is seen as associated with the former Numayri regime and the United States," said one observer, who warned that the days of Sudanese military leader Siwar ad Dahab are numbered, as he may soon be replaced by the pro-Libyan defense minister.

Iran also recently re-established diplomatic relations with Khartoum as part of its "strategic alliance" with Libya, and wants to use Sudan as the launching pad for operations into the Red Sea and against the Arabian Peninsula.

Guidelines set for German role in SDI

Horst Teltschik, West German Chancellor Helmut Kohl's top foreign policy aide, reported on Aug. 19 that the United States had proposed four guidelines for West German participation in the American Strategic Defense Initiative, President Reagan's program for development of an anti-missile shield based on high-energy beam weapon systems.

The four guidelines are, according to Teltschik, as follows:

- 1) The SDI project would be conducted within the limitations of the 1972 SALT I and ABM treaties.

- 2) The U.S. would make no decision on development or deployment of SDI weapons without consulting its allies.

- 3) The U.S. would negotiate with the U.S.S.R. before development or deployment of SDI weapons.

- 4) The U.S. would make no decisions

regarding the SDI that would cause the Soviets to enhance their own arsenal of offensive nuclear weapons.

Meanwhile, Soviet Foreign Minister Edvard Shevardnadze has proposed the creation of a United Nations-run international space agency to supervise all space activity. The agency's purpose, he said, would be to ensure that space will not be "militarized."

According to an unconfirmed source, the Soviet intention is to have the United Nations General Assembly in September debate the proposal. Observers view the proposal as one more Soviet effort to shape the environment against the Strategic Defense Initiative prior to Soviet party chief Mikhail Gorbachov's November summit with President Reagan.

Soviets training South Africans

Members of the African National Congress, a major black organization in South Africa, are being trained in East Germany, reported a Deutschlandfunk radio broadcast in West Germany on Aug. 21. The ANC has long been known to be under Soviet control.

ANC members receive training in political organizing and publicity work, as well as military training, in East Germany, near Rostock. The ANC members are carefully selected for the training in advance, reported Deutschlandfunk. Most have been residing in exile in Tanzania or Angola.

The report was confirmed for *EIR* by an Israeli source. "At any given time, in East Germany, there are 1,400 cadre from southern African guerrilla organizations being trained, 600 from the SWAPO group [Southwest African Peoples Organization of Namibia] and 800 from the African National Congress," said the source. "They get both civil and military training, and the civil training is among the most intensive administrative training anybody gets in Africa. . . . The mastermind of this policy is East German Politburo member Hermann Axen," he said.

It is noteworthy that on Aug. 16, an ANC

Briefly

representative appeared at a press conference of the West German Green Party, the neo-Nazi "environmentalist" formation which is the recipient of large-scale funding from the East bloc. The ANC spokesman threatened "actions" against West German firms doing business in South Africa.

On Aug. 20, Winnie Mandela, wife of imprisoned South African communist leader Nelson Mandela, a leader of the ANC, accused the United States of condoning apartheid, and said South African blacks are no longer willing to consider sharing power with whites.

New Rasputin on the loose in Russia

A new Rasputin-like religious mystic is reportedly on the loose in the Soviet Union, and appears to have the protection of the KGB, the Soviet secret service.

"Mad Monk" Mirzabai Kimbatbaev is said to have developed a large following: People have given him their life savings; women take off their clothes at his request—all convinced that they will be "purified."

The followers of the tall and shaven-headed monk are said to include intellectuals and scientists.

Authorities cracked down on the monk after a girl under his influence apparently committed suicide, setting off a heated debate.

However, two articles on the monk, predominantly favorable, subsequently appeared in *Literaturnaya Gazeta*, the unofficial organ of the KGB.

Brzezinski demands U.S. desert Europe

Zbigniew Brzezinski, the National Security Adviser to former President Carter, has called for U.S. withdrawal from Europe, according to the Aug. 20 *International Herald Tribune*. The newspaper reprints a quote

from Brzezinski that appeared in the summer issue of the "conservative" Heritage Foundation's *Policy Review* magazine, in which he says:

"We should not withdraw all troops [from Europe], but I agree with Sen. Sam Nunn [of Georgia] and Henry Kissinger that some reductions are justified, both for military reasons, since it would give us other options, and because I think it is in our interest to set in motion a process in Europe whereby there is a gradual reduction eventually in both American and Soviet armed forces. A more autonomous Europe is in our geopolitical interest."

Leading Socialist International figures in West Germany are evidently enthusiastic about Brzezinski's statement. "If Zbig is entering this field, advocating European autonomy, this gives us a discussion partner in the United States," a leading figure of West Germany's Social Democratic Party told *EIR* on Aug. 20. The speaker was a designer of the policy for a West German "security partnership" with Moscow—i.e., German exit from NATO and entry into the Soviet sphere of influence.

"I find some very interesting and acceptable ideas involved, the general trend is right," said a second SPD strategist, who is working on a proposal for the "Austrianization" of West Germany.

Death threat against Peru's Alan García

In a speech Aug. 22 from the balcony of the presidential palace, Peruvian President García revealed that he has been warned, "they are going to kill you," for his fight against the drug mafia and the International Monetary Fund.

"If that happens," García said, "another will come to take my place, to continue what we start here. There are those who are shocked and say, 'Mr. President, don't go so fast; it's dangerous.' But I say it is dangerous to stand still. The government is like a bicycle; if it stands still, it falls; so we have to go ahead at the speed the people want."

● **A SOVIET INVASION** of Turkey was the purpose of military exercises carried out last month by Soviet forces, reports *Jane's Defence Weekly*. Code-named KAVKAZ 85, the exercise came within 200 km of the Turkish and Iranian borders. The land and air exercise featured a Spetsnaz (special forces) deep-penetration offensive.

● **RICHARD BURT'S WIFE**, Gail Hodges, was formerly a secretary to two secretaries of state, Henry Kissinger, and Cyrus Vance, West Germany's *Stern* magazine reports. Burt is now U.S. ambassador to West Germany.

● **IISS**, the London-based International Institute of Strategic Studies, is launching a 3-5 year research project on "strategic defense," to study all aspects of the U.S. Strategic Defense Initiative. The project will begin during an Oct. 14-16 conference of strategists and planners at Cumberland Lodge in Great Britain. IISS spokesmen have generally been hostile to the program.

● **VORWAERTS**, the West German Social Democratic Party newspaper, has editorially endorsed the proposals on Ibero-America's foreign debt advanced by Fidel Castro of Cuba, who has proposed bailing out the banks by cutting the U.S. defense budget, after Ibero-America defaults. The Socialist International organ expressed a preference for these policies over those of Peruvian President Alan García.

● **THE KGB-LINKED** Institute for Policy Studies, together with the American Friends Services Committee and the Mobilization for Survival, held a conference on "No to Atomic Weapons" outside Oslo, Norway, beginning Aug. 23.

Administration reasserts commitment to U.S. defense

by Kathleen Klenetsky

After a months-long hiatus, certain members of the Reagan administration, including the President himself, have begun to publicly reassert their commitment to the Strategic Defense Initiative, rejecting demands by Moscow and its minions that America's one hope for maintaining the peace be sacrificed on the altar of "arms control."

With few exceptions—Reagan's national radio address on the SDI, broadcast on the day he entered the hospital for surgery; frequent pro-SDI statements by Secretary of Defense Caspar Weinberger, and SDIO director Gen. James Abrahamson—the administration has let the program lie in limbo, making it an easy shot for its enemies, and giving rise to speculation it would be used as a "bargaining chip" with the Soviets. That perception was fostered by a host of related events, not least of which reports that former Carter National Security Adviser head Zbigniew Brzezinski, a public advocate of negotiating away the SDI, was about to be named to a high-level administration post.

But in late August, beginning with National Security Adviser Robert McFarlane's public accusations that Soviet attacks on the SDI were so much "chutzpah," through the administration's decision to proceed with ASAT tests, and the President's reiteration of the importance of the SDI, the administration's tone began perceptibly to change.

Furthermore, Brzezinski did not receive the appointment he was expected to get—a position on a new, nine-member panel set up under the Pentagon's Defense Science Board to review the administration's strategic modernization program, including strategic defense.

Whether these developments are simply part of an administration counter to the anti-SDI propaganda war which the Soviets have been waging prior to the Reagan-Gorbachov summit, or whether it signals that the reality of Soviet war

preparations has sunk in sufficiently to override the "abandon the SDI" counsel of such appeasers as George Shultz, still remains to be seen.

But there's no mistaking the fact that the administration's new "tough line," and particularly the resurgence on the SDI, has already precipitated an acute case of anxiety in the liberal community, and a torrent of abuse from Moscow.

At a Republican fund-raiser in Los Angeles on Aug. 22, his sole public appearance during his three-week California vacation, Reagan told his audience that the SDI offers "a way out of the nuclear dilemma that has confounded mankind for four decades." Critics have called the project "unfeasible and a waste of money," said the President. "Well, if that's true, why are the Soviets so upset about it? As a matter of fact, why are they investing so many rubles of their own in the same technologies?"

Reagan made much the same point in a message to a scientific conference on nuclear war in Erice, Italy. The Soviet Union "today has the only existing anti-missile missile system in the world, and launched a long time ago a research program in many of the fields which the United States has just started to explore," wrote the President, adding that the SDI "does not aim at achieving superiority" over the Soviets, but is intended to make "nuclear missiles obsolete."

ASAT tests

Reagan's defense of the SDI came just days after the administration declared it will go ahead with tests of the U.S. anti-satellite (ASAT) weapon. Reagan sent a message to Congress on Aug. 20 informing the legislature that the United States will shortly conduct the first test of its ASAT capability against a target in space.

"The Soviet Union has for many years had the world's

only operational anti-satellite system,” read the White House announcement. “The United States must develop its own ASAT capability in order to deter Soviet threats to U.S. and allied space systems, to deny any adversary advantages arising from the offensive use of space-based systems which could undermine deterrence.”

At a Western White House press conference on the same day, Larry Speakes elaborated on Soviet ASAT capabilities, telling reporters that one of the reasons U.S. progress in the program is essential was because of Soviet ground-based laser technology. “The Soviet Union also maintains a large directed energy research program that involves ground-based lasers that we assess to be capable of performing some ASAT functions,” said Speakes. “We see this program as one that could result in the launch of the first prototype of a space-based laser ASAT system in the late 1980s or 1990s. What that means is that they’re testing a system on the ground that they could put into space that would put a laser in space.”

The Soviet strategic defense program was also one of the major points raised by Robert McFarlane, in an Aug. 19 speech in Santa Barbara. McFarlane, just named by the President to co-chair, with Don Regan, a special task force on the summit, charged that while the Soviets have undertaken an “extremely large” strategic defense research program, nevertheless “in a masterpiece of chutzpah, they insist repeatedly that ours is a program designed to acquire a first-strike capability. In short, we’re having a lot of trouble establishing a real dialogue. . . . Without some changes in the Soviet approach on security issues, in fact in the thinking that underlies it, I fear that even incremental improvements will be extremely hard to reach.”

Topping it all off was the administration’s disclosure that the KGB has been systematically using a carcinogenic powder to track the movements of American embassy personnel and journalists in Russia. Speakes revealed that Regan had sent an official protest to Moscow, and that “It’s entirely likely” he will raise the issue with Soviet Foreign Minister Eduard Shevardnadze and with Gorbachov. “This is a serious matter and we will treat it as such in our meetings,” said Speakes.

The story captured headlines worldwide, and had Soviet officialdom fuming about the “absurd” and “unacceptable” charges, and this attempt at “poisoning the atmosphere” between the superpowers.

That’s not all the Kremlin is angry about. The U.S. move that has provoked the most outrage from Moscow and its American admirers is the ASAT decision—not surprising, given that ASAT technology will play a crucial role in a deployable strategic defense system. Back in March, when beam-weapon scientist Evgenii Velikhov visited Britain as part of a delegation headed by Gorbachov, he explicitly warned the United States against ASAT testing, and a delay in U.S. testing was an implicit condition for Soviet agreement to the current round of arms talks in Geneva.

The Soviet media reacted swiftly to the White House

announcement, claiming that the United States was violating existing treaties, and will use the space program as a “springboard for fighting aggressive wars.” TASS says the U.S. has conceived of an anti-satellite defense from as early as 1986, contrasting the “irresponsible character of such a policy” against “the background of Soviet peace initiatives.”

Soviet assets in the West have been even more ferocious in their denunciations. “Unbelievable,” said Sen. John Kerry (D-Mass.) of the President’s decision, adding that “It’s [Reagan’s] notion of how to approach the talks, his notion of bargaining. He is trying to set up the summit in his terms, so that when it doesn’t produce anything, it can be blamed on the Soviets, who won’t talk because they are ahead of us.”

John Steinbrunner of the Brookings Institution assailed the decision as “a gun-to-the-head approach” that will drive both superpowers into a military space race that “will leave both sides worse off.” Controlling weaponry in space “is the linchpin for all arms-control agreements,” because the Soviets oppose the SDI.

The Union of Concerned Scientists, which is about to launch a major propaganda offensive against the SDI, claimed that the Soviet ASAT system is so “primitive,” America doesn’t need one of its own. John Pike of the Federation of American Scientists told the *New York Times* that the United States should agree to a ban on ASATs because “That would do a better job of protecting our national security interests than deploying an anti-satellite system.” And Spurgeon Keeney, head of the Arms Control Association, declared that it was part of an ominous administration pattern which is creating conditions in which “nothing will happen in Geneva. The administration is going out of its way to reemphasize its existing policies, including no negotiations on the SDI.”

Washington Post columnist Mary McGrory suggested what it is that has everyone so upset: a resurgence of the “old” hard-line, anti-Soviet Reagan, and with that, renewed emphasis on American defense capabilities, particularly the SDI. “The way he is acting,” shrieked McGrory in her Aug. 22 column, “you’d think that President Reagan were fighting charges that he is ‘soft on communism.’ His red-baiting in recent weeks has reached a point where it is reasonable to ask how he can bear to go to Geneva and shake hands with Gorbachov. . . . The clenched fist is, apparently, to be the logo of the second Reagan term.”

On the same day, the *Post* offered a front-page news analysis stating that “a sharp split exists between top Pentagon officials and others in the State Department and White House over a possible trade-off that would limit Reagan’s SDI in exchange for deep cuts in the Soviet offensive missile force.” If the disputes are not reconciled, it may be impossible to arrive at any agreement at the summit, it cited unnamed administration officials stating. Recent events “suggest that senior White House officials are preparing for an autumn of confrontation with the Soviets to climax at the Geneva summit, and that they are increasingly pessimistic about the prospects for an agreement to slow the arms race.”

White House tells Congress of tests

The following is the partial text of the White House announcement that the United States will proceed with ASAT testing.

The President today submitted to the Congress . . . the certification required by the Congress prior to a test against an object in space of the non-nuclear miniature vehicle anti-satellite (ASAT) system. . . . In the certification, the President attests to the Congress that:

- The United States is endeavoring in good faith to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on anti-satellite weapons consistent with the national security interests of the United States;

- Pending agreement on such strict limitations, testing against objects in space of the F-15-launched miniature homing vehicle ASAT warhead is necessary to avert clear and irrevocable harm to the national security;

- Such testing would not constitute an irreversible step that would gravely impair prospects for negotiations on anti-satellite weapons;

- Such testing is fully consistent with the rights and obligations of the United States under the 1972 Anti-Ballistic Missile Treaty. . . .

The Soviet Union has for many years had the world's only operational anti-satellite system. There is also a growing threat from present and prospective Soviet satellites which are designed to support directly the U.S.S.R.'s terrestrial forces. The U.S. must develop its own ASAT capability in order to deter Soviet threats to U.S. and allied space systems and . . . to deny any adversary advantages arising from the offensive use of space-based systems which could undermine deterrence. Systematic continued testing is necessary for us to be able to proceed with ASAT development and finally to validate operational capability, in order to restore the necessary military balance in this area.

A number of serious problems, including definitional and monitoring difficulties plus the need to counter existing Soviet targeting satellites, contribute to the conclusion that a comprehensive ban on development, testing, deployment, and use of all means of countering satellites is not verifiable or in our national security interest. . . . No arrangements or

agreements beyond those already governing military activities in outer space have been found to date that are judged to be in the overall interest of the United States and its Allies. . . .

Following are excerpts from National Security Adviser Robert McFarlane's Aug. 19 speech, "U.S.-Soviet Relations in the Late 20th Century."

Finally, let me take up the military question that is in the headlines—the relation between offensive and defensive strategic systems. As you may know, in 1972, the United States and Soviet Union agreed that neither side should build a defense against ballistic missiles. The Soviet Union has since built and maintained the defensive systems around its capital allowed by the agreement; the U.S. has not. Both sides have pursued research, as the treaty permits; the Soviet research effort has been extremely large.

. . . President Reagan has proposed the Strategic Defense Initiative, to re-investigate the feasibility of defenses. Two reasons . . . produced this decision: First, the . . . enormous Soviet offensive build-up, which has put the survivability of our forces in question, and secondly, the President's desire to see whether the fragility of the nuclear balance can be reduced by moving us away from a morally unsatisfactory doctrine of nuclear retaliation. As the President has said many times, this is one of the most hopeful possibilities of our time. We believe it could contribute to both sides' security, especially if we make progress in the Geneva arms talks. . . . But what has been the Soviet response? Soviet public statements . . . simply propose something we believe is non-negotiable and non-verifiable—a ban on research even as they pursue the largest research program on earth. And in a masterpiece of chutzpah, they insist repeatedly that our's is a program designed to acquire a first-strike capability.

. . . Without some change in the Soviet approach to security issues, in fact in the thinking that underlies it, I fear that even increasing improvements will be extremely hard to reach. . . .

[McFarlane raises the issue of Soviet support for Libya.] There are few if any governments today whose policy as a whole could be better described as "the worse, the better." Colonel Qaddafi is an heir to that tradition of seeking to provoke or benefit from trouble and instability. That being the case, Americans have to ask some serious questions about Soviet support for him. A small example will suffice: With all the problems of terrorism in that part of the world, what good is served by providing Soviet submarines to Qaddafi? Or, given the war in the Persian Gulf . . . what good is served by giving missiles to . . . Qaddafi, which then find their way to Iran and finally land in downtown Baghdad. . . . Americans are entitled to ask with utmost seriousness: If Soviet policy is not "the worse, the better," then shouldn't the Soviet Union's relationship with Qaddafi be very different?

KGB and Mossad linked to attempted murder of Tscherim Soobzokov

by Joseph Brewda

On Aug. 15, Tscherim Soobzokov, a man who had successfully fought the efforts of the U.S. Justice Department's Office of Special Investigations (OSI) to frame him as a "Nazi war criminal," was the victim of a professionally executed pipebombing at his Paterson, New Jersey home which may yet leave him dead. Soobzokov has been targeted by the OSI and its predecessor government organizations since 1973 on provably fraudulent charges originating in Moscow, and had since won a multi-million dollar settlement with the *New York Times* for its peddling of KGB lies. Yet, despite his legal success, Soobzokov has continued to be the target of the same Soviet networks for slander—and murder.

The attempted execution of Soobzokov highlights one of the most important national security threats to the United States at this time. Under the pretext of concern with "Nazi war criminals" resident in the United States, Soviet assets Elizabeth Holtzman, the former congresswoman, and Henry Kissinger, the former secretary of state, contrived to form the OSI in 1979, nominally charged with prosecuting such criminals. In actual fact, the OSI is, by intent, an arm of combined Israeli Mossad/KGB operations within the United States. OSI investigations, prosecutions, and propaganda intentionally serve to prepare the climate for murder of enemies of the Soviet Union and that now-dominant faction in Israel allied with Moscow.

Although Israel and Russia have long cooperated on such matters as narcotics-trafficking, and although Israel has always sold U.S. secrets to Moscow as a matter of maneuvering between East and West, the consolidation of a strategic Israeli-Soviet alliance has only occurred in the last few months. Among its important results has been a deepened collaboration between Soviet and Israeli intelligence agencies operating within the United States against commonly defined enemies.

Among the negotiations which have fine-tuned this alliance was the trip of unofficial Soviet ambassador-at-large Armand Hammer to Israel, and of World Jewish Congress chairman and narcotics kingpin Edgar Bronfman to Moscow.

The Bronfman delegation to Moscow in August was sponsored by Russian Federal Republic Justice Minister Suk-

halev. The result was that Israel was promised the delivery of hundreds of thousands of Jews to occupy a projected, enlarged occupied territory of "Greater Israel." A deal was agreed upon whereby a Greater Syria and a Greater Israel—under the rule of Gen. Ariel Sharon—would dominate the Middle East together. The details include the elimination of Lebanon, the overthrow of Jordan's Hashemite kingdom, the possible murder of Egyptian President Hosni Mubarak, and the annihilation of the PLO.

From the standpoint of Moscow, such an arrangement means the complete elimination of the United States from the Arab world, with a controlled state of hostilities between Israel and Syria ensuring Soviet domination of the region.

An important signal that the deal was near completion was the public collaboration of Bronfman and Sukhalev in the April "Bitburg affair," where both Israel and Moscow combined to label President Reagan a Nazi for visiting a German military cemetery. Through Bronfman's influence, Sukhalev toured the United States at the height of this operation, as a guest of the American Bar Association. During his tour he met with Bronfman-linked OSI attorneys and propagandists for discussions on the upgrading of attacks on the Reagan administration.

Facilitating this new arrangement is the longstanding relationship between the Aleppo, Syrian Jewish families which control Ariel Sharon, and Syrian intelligence. These narcotics-trafficking families of Aleppo, such as the Safras and Dweks, are the key to the drug-running Nazi International networks run out of Syria.

Why Soobzokov?

The attempted murder of Soobzokov is one demonstration of the upgrading of the Soviet-Israeli agreements.

A Circassian (Russian Caucassian) Muslim, Soobzokov had long been active as a representative of the Palestinian peace faction associated with the Palestine Liberation Organization. Following his emigration from Europe after World War II, Soobzokov resided in Amman, Jordan, where he played a significant role among Palestinians. Because Soobzokov came into conflict with British intelligence, he was

driven out of the Middle East in 1955, even by the admissions of OSI propagandists.

Since neither Russia nor the Sharon faction in Israel view peace in the Middle East as in their interest, Soobzokov was targeted, beginning in 1973, because of the symbolic and actual effect his judicial murder would have on the region. Similarly, the OSI has selectively targeted Ukrainian and Baltic emigrés to the United States as war criminals in order to terrorize these opponents of the Soviet Union.

Once he began to be labeled a Nazi by the OSI and *New York Times*, Soobzokov became the target of repeated death threats from the Sharon-controlled Jewish Defense League (JDL). In 1979, he received a letter bomb. The Aug. 15 attempt on his life was preceded by a series of death threats from Mordechai Levy, the FBI informant who chairs the Jewish Defense Organization, a split-off from the Jewish Defense League. Naturally, Soobzokov's requests for FBI protection from FBI informant Levy, were refused. The FBI has now assumed jurisdiction in the case, undoubtedly to better protect its informants and the OSI.

While the JDL was secondarily involved in the attempt on Soobzokov, the professional nature of the bombing precludes any possibility that JDL "crazies" acted on their own.

Typifying the way the JDL is actually controlled is the case of Avigdur Eskin. Eskin is said to have founded the Moscow chapter of the JDL! Then, of course, he emigrated to Israel. Notwithstanding his obvious KGB pedigree, JDL leader Eskin is now in the United States. Today, he works directly with the Mossad, in particular, Sharon's former campaign manager, Rafi Eytan. Eytan formerly headed Mossad covert operations in Western Europe.

The real OSI chain of command

The actual targeting of American citizens for judicial frame-up and press smears, preparatory to possible murder, begins in Moscow at the offices of the Procurator General in the Soviet Justice Ministry, tied to Bronfman's sponsor, Russian Federated Republic Justice Minister Sukhalev. From the Procurator General's office, fraudulent dossiers are passed to the West. It was in that office that Elizabeth Holtzman's agent, Tony De Vito, met with Deputy Procurator General and KGB officer Mikhail Malyarov in 1975. He was handed forged evidence on Soobzokov. De Vito had been detailed to Moscow after the original 1973 lies against Soobzokov had begun to fall apart.

To facilitate Soviet control over what became the OSI, Henry Kissinger issued an order in 1975 that the State Department begin cooperating with the Procurator General in preparing evidence against U.S. citizens targeted as fugitive Nazis. When the OSI was officially formed in 1979, it was mandated to act in liaison with the same KGB office.

In addition to passing forged dossiers directly to the OSI, the KGB also channels its directives through the vast net-

works of East German publicist Julius Mader. Mader, a specialist in penetration of the U.S. press, has written several dozen fraudulent books on U.S. intelligence and alleged protection of Nazis. In this project, Mader works with Marcus Wolff, deputy director of the Stasi, the East German state security service, who maintains control over the West German Vereinigung Verfolgten des Naziregimes (VVN—The Association of Those Persecuted by the Nazi Regime), a recreation of the formerly banned West German Communist Party.

Slanders slipped to the West through these channels are then published in the United States and Europe to prepare the ground for frame-up or assassination. Among the press steered under Mader's influence is the *Village Voice*, the *New York Times*, the British Communist Party's *Searchlight*, and the extensive press network operating under the control of the Anti-Defamation League.

In 1977, *Village Voice* and *New York Times* journalistic worm Howard Blum published *Wanted: Nazi War Criminals in America*, which shamelessly propagandized in favor of creating the OSI. Among the highlights of the book, published by the *New York Times*, was a lengthy section slandering Soobzokov as a war criminal. Among the reasons for its publication was that the Immigration and Naturalization Service (INS) and the Soviet Union had been forced to admit in 1975 that they had not a shred of evidence against Soobzokov.

Although Blum's book was found to be libelous, and Blum was forced into an out-of-court settlement, the *Village Voice* and other Soviet-steered press continued their propaganda war against U.S. intelligence as "Nazi."

Among the central figures in this KGB-Stasi press network is Charles R. Allen, Jr., self-described as the "world's leading expert on Soobzokov." Allen is believed to be the person who first labeled Soobzokov a "Nazi war criminal" in the United States, passing his name into INS through the offices of Elizabeth Holtzman.

A leading figure in the U.S.-East German Friendship Society, Allen is a longtime propagandist for Soviet interests. Typifying Allen's journalism is his Communist Party-published pamphlet accusing the United States of setting up secret concentration camps for blacks. Although Allen has been cited under Freedom of Information Act documents as having been under repeated FBI investigation for subversive activities, he continues to be a leading advisor and controller of OSI director Neil Sher and OSI dirty-tricks specialist Eli Rosenbaum, now a law partner of Cyrus Vance.

Among Allen's other key associates are Oleg Polykovskii, formerly TASS correspondent resident in New York and KGB expert on "Nazis" in America, and *Village Voice* scribbler Joe Conason, who is currently operating under the direction of East Germany's Mader, and busily engaged in labeling the U.S. scientific establishment as dominated by Nazis.

Peru's actions call question on drugs

by Susan Kokinda

Peruvian President Alan García's military crackdown on the cocaine mob promises to call the question on the commitment of the U.S. Congress to fight drugs. While anti-drug legislation—relating to law enforcement, money laundering, and the role of the military—has been on the congressional agenda this year, little of positive substance has been acted on. Indeed, some legislation, cutting off aid to countries like Bolivia and Peru in the alleged absence of progress in combatting drugs, has been downright destructive.

No one in Congress wants to be identified as soft on dope trafficking. But, with the exception of isolated efforts by some senators and congressmen to add funding for existing international and domestic drug enforcement programs, the "anti-drug" activities of the Congress have consisted mostly of headlines.

Now, Congress will have to put up or shut up. Back from a multi-nation trip to Ibero-America, which included Peru, members of the House Select Committee on Narcotics gave strong verbal support to the efforts of García. Committee Chairman Charles Rangel (D-N.Y.) praised the Peruvian Operation Condor as evidence of a determined crackdown on drugs. More importantly, committee member Norman Lent (R-N.Y.) pledged aggressive U.S. assistance to Peru, saying that "the drug problem is far more serious than many of us in Congress realized. These countries . . . are plagued by the fact that they are all obligated by large external debts. These countries need lots of expensive equipment—helicopters, guns. . . . They're going to need a great deal of support from this nation."

Committee members hope to meet with Attorney General Edwin Meese upon their return to Washington in September to discuss ways to assist Peru and the new government in Bolivia. If Congress is serious, there should be no impediment to a serious and all-out prosecution of the battle, since Meese himself has taken command of a serious administration's war on drugs.

The new attorney-general has significantly reversed the lackluster performance of his predecessor William French Smith and the outright sabotage of ex-Treasury Secretary

Donald Regan, as indicated by Mexican Foreign Minister Bernard Sepúlveda's remarks (page 9) praising the shift away from the previous antagonism expressed toward Mexico by many U.S. anti-drug officials.

However, in Congress, about the only legislative successes this year, have come from the Senate Appropriations Subcommittee on the Treasury, headed by James Abdnor (R-S.D.) and Dennis DeConcini (D-Az.). Working with Meese, the senators were able to add over \$120 million for anti-drug activities to the FY 1985 Supplemental Appropriations bill. DeConcini also won Senate passage of bills making available men and equipment from the Air National Guard and the Air Reserves, for certain assistance in drug interdiction.

Some very bad legislation

On the negative side, stand the dangerous and self-serving amendments to the Foreign Aid bill which "punish" those countries Congress deems soft on narcotics enforcement. Senators Paula Hawkins (R-Fla.), Lawton Chiles (D-Fla.), Sam Nunn (D-Ga.), Joe Biden (D-Del.) and House Foreign Affairs Committee Chairman Dante Fascell (D-Fla.) have introduced bills and amendments which cut off aid to Ibero-American nations who do not live up to certain Congress-sanctioned goals. Bolivia has had aid cut, and Peru and Brazil are threatened.

As Rangel and Lent commented above, narcotics trafficking is itself a threat to the "fragile democracies" of some nations, who have already been burdened by large external debts. To state the point more fully, unless a nation takes on the international bankers and citizens above suspicion, who have facilitated and participated in drug production and trafficking, as Peru has now done, its law enforcement efforts against drugs will be largely futile. Most of the congressmen and senators lashing Peru or Bolivia kowtow to the International Monetary Fund. Even worse, some such as Dante Fascell, are vocal supporters of the State Department's Project Democracy apparatus, which has gone so far as to praise the "informal economy" of Peru!

The majority of anti-drug bills are either unenacted or largely irrelevant. The administration's major initiative, against banks and individuals who engage in money laundering, announced by Attorney General Meese on June 13, is sitting in both the House and the Senate committees. S. 1335, introduced by Senate Judiciary Committee Chairman Strom Thurmond (R-S.C.), and H.R. 1367, introduced by House Judiciary Committee member, Bill McCollum (R-Fla.), have not had hearings in either the Judiciary or the Banking committees, and, at present, do not have hearings scheduled. Congress engaged in a brief headline-grabbing flurry of hearings and bill-introductions during the late winter publicity about the Bank of Boston violations, but nothing substantive has begun to move through the legislative process on either side.

A piece of unenacted legislation, which is likely to generate headlines and committee hearings this fall, is Rep. Rangel's H.R. 526, "The State and Local Narcotics Control Assistance Act of 1985." The Rangel legislation, which has over 100 House sponsors, and Senators Al D'Amato (R-N.Y.) and Daniel Moynihan (D-N.Y.) as Senate sponsors, tries to throw some money in the direction of state and local authorities, to help those who have been "overwhelmed" by the investigative, enforcement and prosecutorial costs of narcotics enforcement.

Any legislation which has as supporters, Moynihan, one of the international financiers' most faithful spokesmen, and Rep. Mickey Leland (D-Tex.), a towel boy for Dope, Inc.'s de Menil family, to name a few less-than-clean co-sponsors, can't be taken very seriously.

However, H.R. 526, is likely to be the anti-drug show-piece of the fall session of Congress.

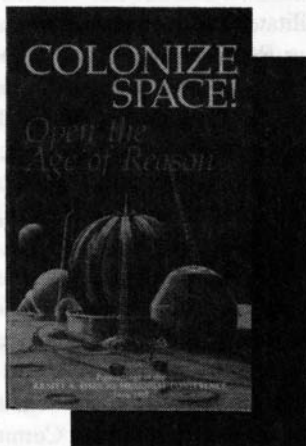
Local law enforcement does need help, but if Congress is going to do more than generate publicity for itself, it must take on drug enforcement as President Alan García has—as a military deployment against the producers, the processors, the traffickers, the bankers and the political protectors.

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Those who destroyed now vying to become

by Mel Klenetsky

The current New York City mayoralty race raises afresh the spectre of the collapse of America's greatest city. Will the city survive another four years of incumbent Ed Koch, or challengers Carol Bellamy and Denny Farrell, the so-called front-runners in the race?

If you say yes, than you've become callous and blinded to things that denizens of this metropolis, who lived in the city through the sixties and even John Lindsay's era, would never have tolerated. Eleven years have passed, including two Koch administrations, and the West Side Highway, one of the major urban vehicular arteries in the world, still remains barely passable, and for all intents and purposes closed as a major artery for Manhattan's North-South traffic.

Whole sections of the city are "bombed out" and abandoned, a Paradiso for the rodent community. The subways are something out of the Wild West, where lawlessness prevails, to such an extent that Bernie Goetz, a man with obvious problems, became the Charles Bronson Hollywood vigilante figure come true, with much of the city cheering Goetz's murderous actions.

From the bag-ladies on Union Square to the urine-smelling, graffitti-ridden subways, New York City is something out of the lower rungs of Dante's *Inferno*. This great city, whose harbors were once teeming with ships, whose Ellis Island and Statue of Liberty embraced newly arrived immigrants and gave them the opportunity to partake in the American Dream, more and more looks like some kind of a Turkish bazaar, straight out of Fellini's *Satyricon*, and presided over by the Caliph of Gracie Mansion, Mayor Edward Koch.

Koch rolls with the punches. Today, the mayor is viewed by the middle class of the city as the bastion of traditional values. Since Koch and his ilk are responsible, in a very direct way, for the AIDS epidemic ravaging the city, his adoption by New York City's middle class, as their champion, shows a combination of ignorance and desperation among the constituency.

The AIDS epidemic of today not only affects homosexuals and other specific "high risk" communities, but is beginning to reach into the general population in a devastating way. AIDS is the great leveler, bursting the myths that our cities have rebounded from the financial crises of the seventies, that our economy has undergone a miraculous "econom-

New York City its mayor

ic recovery.” According to Dr. James Curran of the Atlanta Centers for Disease Control, more than 12,000 cases of AIDS have been reported in the United States, and between 500,000 and 1 million Americans have been infected. More than 30% of AIDS cases have hit the non-homosexual, non-Haitian, heterosexual community.

The Director of New York City’s Office of Epidemiologic Surveillance and Statistics has said that AIDS is the number-one killer of New York City men between the ages of 30 and 34, and one of the top five causes of death in New York City for men between 20 and 50. It was also the second leading cause of death for women between 30 and 34. There are 3,176 reported cases of AIDS in New York City, of which 1,800 have died. The grim prospect is that not one victim of AIDS has lived longer than three years, all the more reason why we must find a cure for the disease.

AIDS is the Black Death of the 20th century, and like the Black Death of 1341, caused by the austerity programs of the Bardi and Peruzzi banking houses, this plague is caused by financial policies that are causing the city’s economic collapse. The simple fact is, Ed Koch and his ilk are responsible for AIDS.

I say this not because Koch has been a champion of the gay rights movement and its efforts to get legislation through the city council, but because Ed Koch and his buddies over at Lazard Frères, like Felix Rohatyn, have implemented a “bankers’ dictatorship” over the city, which has destroyed infrastructure and public health services to the extent that we now face multiple life-threatening situations.

From 1976 on, the Big MAC program for New York City totally destroyed urban infrastructure in the areas of rodent and pest control, basic sanitation, health services, hospital care, water purification and treatment, sewage systems, etc. Mayor Koch, City Council President Carol Bellamy, State Legislator Denny Farrell, Governor Mario Cuomo, and the whole gaggle of politicians that run New York State and City, presided over this Lazard Frères/Felix Rohatyn plan to destroy the city. Moreover, Koch and Rohatyn used New York City as a model, to do the same thing to other cities across the country.

These policies are, unfortunately, not merely limited to the United States. AIDS is ravaging Africa, about to break

out of control because the International Monetary Fund has done to Africa what Koch and Rohatyn did to New York City. A recent medical conference in Senegal put forward the theory that the AIDS virus was probably converted from an otherwise harmless virus in green monkeys to its current form, a lethal, rapidly mutable virus. The doctors hypothesized that the AIDS virus only recently emerged in its deadly virulent form, due to the collapse of socio-economic conditions in Africa.

As this disease, and other diseases break out of control, and reach into the streets and homes of America’s cities, we can blame the high-interest-rate programs of Federal Reserve Chairman Paul Volcker and the IMF for perpetrating austerity programs, on a global scale, that have destroyed not only the economic infrastructure of this country, but of the entire world.

The combined effect of the destruction of America’s living standards by Paul Volcker’s usurious policies and concomitant policies of razing the nation’s urban infrastructure, through the application of Felix Rohatyn’s Big Mac programs, has led us to the current debacle.

50,000 homeless

According to the 1982 census 24% of New York City is below the poverty line of \$10,178 for a family of four. The nationwide figure was 15%. According to *EIR*’s June 1985 *Quarterly Economic Report*, it would require an income of \$41,171 for a family of four to meet the costs of the U.S. Department of Agriculture’s “moderate” food plan, spending 16% of income. This gives a sense of the nutritional depletion and malnutrition that is prevalent in our cities.

It is estimated that there are more than 50,000 people homeless in New York City. This doesn’t include the people who moved back into their parents’ homes because they couldn’t afford their own apartments. With 50,000-plus homeless and 24% of the population below the poverty level, the city is one big Petrie dish for breeding and transmitting diseases.

The growth of tuberculosis and sexually-transmitted diseases in New York is truly remarkable. Reported tubercular cases increased 50% between 1978 and 1983. Many of the 50,000 homeless in the city have tuberculosis and don’t even know it. The number of reported gonorrhea and syphilis cases, in 1983, was 52,939, a 15% increase over 1978—and many teenagers and adults with these diseases don’t check into clinics.

Meanwhile, the successive administrations of Mayors Lindsay, Beame, and Koch have collapsed hospital care. It should be noted that New York City medical research and treatment were considered the finest in the country. Therefore, the dismantling of the health and hospital capacity of New York City set a national tone for dismantling hospital care.

In 1968, New York City had 124 hospitals and 37,090 beds, servicing over a million admissions for an average stay of 11.3 days. In 1975, hospitals had dropped to 111, but beds increased to 37,397, servicing 1,125,810 admissions for an average stay of 10.1 days. By 1983 these figures totally collapsed: 80 hospitals, 32,051 beds, 1,128,362 admissions, an average stay of 9.1 days.

This more than 30% cut in the number of hospitals and similar cutbacks in bed space has accelerated since 1983. Liberal Gov. Mario Cuomo, the so-called champion of the people, and his henchman, Health Commissioner David Axelrod, appointed in 1979, brag that they helped eliminate 12,000 hospital beds since 1975. Axelrod's policy is to block hospital construction. In 1983, he put a one-year moratorium on all hospital construction, repair and improvement. An aide lauded this as a courageous act since "New York has some very old hospitals and they need repair, and he blocked them. He held up construction on \$7 billion worth of hospital plans."

The candidates

Cuomo, Koch, Bellamy, and Farrell, at both the city and state level, have each helped destroy New York City. First, the Big MAC (Municipal Assistance Corporation) program in 1976 and then Paul Volcker's high interest rate regime starting in October 1979, set the conditions for the city to be deprived of more than \$200 billion in vital infrastructure. In 1975, before Big MAC, the city budget was \$14.5 billion. Ten years later, after Volcker's double-digit usury was in effect, you couldn't buy the same services for \$75 billion, taking into account inflation. Yet, city expenditures for 1981 were \$13.7 billion. For fiscal year 1986, they're projected at a little over \$20 billion. Figure out what amounts should have been spent to buy \$14.5 billion of 1975 services, taking into account inflation, and you will see that the city has been looted of more than \$200 billion in infrastructure services.

The burning of a city

Even in 1975, the city infrastructure was depleted through years of deferred maintenance. Exemplary is the firefighting situation. Between 1966 and 1968, New York experienced a wave of crime and fires in ghetto areas like the South Bronx, Harlem, Bedford Stuyvesant, East New York, and the Lower East Side. During that period, total fires increased 42% with fires per uniformed firefighter growing 50%. Mayor John Lindsay, in 1968, hired the Rand Corporation to do an efficiency study of the fire department. Rand recommended closing down units. In five rounds of closings beginning in 1972, the city eliminated or relocated 35 fire companies, of which 27 units were taken out of areas with the highest incidence of fires. Many areas, such as the South Bronx, were simply razed to the ground. From 1972 to 1976, fires increased 23%, fires per fireman went up 50%, and nearly 23% of the force, 2,400 firefighters, were laid off. Today we are seeing fires,

once again, ravaging the city, and there are still fewer uniformed firefighters than in 1975.

There are also fewer uniformed sanitation workers and police. New York City's water main pipes are over 100 years old. They should be replaced every 50 years, but Big MAC replaces them on a 275-year replacement cycle. Sewers that should be replaced every 100 years are being slated to be replaced every 300 years, and city streets with a 25-year life span are to get replaced every 200 years. This is where the \$200 billion, looted by the Rohatyn crowd, should have gone.

Instead, real estate speculation and drugs have been allowed to run rampant. Real estate speculators are given tax write-offs and abatements to such an extent that the total value of Manhattan real estate clocks in at well over \$1.5 trillion dollars. This means real estate rentals for Manhattan alone come in at over \$200 billion a year, barely taxed. These kinds of rentals are driving out small industries. According to the Garment Association of Lower Manhattan, which employs over 20,000, they are being forced out by the realtors. The top rentals and skyrocketing values for Manhattan real estate do not just apply to a Pan Am building or a Trump Tower. Today a four-story tenement in China Town goes for over \$1 million. Produce stores in the area pay \$5,000 a month rent and \$80-100,000 under-the-table "key money."

In drugs, the situation is the same. While still a congressman, Ed Koch championed the Shaeffer Commission, whose recommendations prepared the way for a wave of bills in state legislatures across the nation for "decriminalizing" marijuana. In 1977, Koch used his influence to ensure that New York State enacted a pot "decriminalization" bill. Koch, as mayor, according to the National Organization for the Reform of Marijuana Laws, turned New York city into a model decriminalization city. This 1977 law opened the floodgates, as proved in official New York State studies of heroin, cocaine, and a 300% increase in marijuana-smoking among school children, down to the elementary-school level. Today, New York City has half the heroin addicts in the country, with more than \$50 billion a year in illegal drug trafficking.

Koch, Bellamy, and Farrell played major roles in all of these developments, or lifted not a finger to halt them. Of the other candidates running, the National Democratic Policy Committee-endorsed ticket of Judah Rubinstein for mayor and Dennis Speed for Comptroller ticket is a viable alternative. They are committed to reversing Big MAC, Paul Volcker's usury, and all of the rotten, corrupt policies that have led the city to the brink of Armageddon. They propose to use the technologies spinning off of President Reagan's Strategic Defense Initiative to rejuvenate the cities, and the cities' historical role as the cultural centers which produce the engineers and scientists we need for a space-defense and Moon-colonization program.

Kissinger Watch by M.T. Upharsin

Under attack in Geneva and Milan

During the course of an otherwise atrocious conference organized by followers of the Reverend Moon in Geneva Aug. 13-17 (see page 30), an adviser to the U.S. Army on Soviet affairs, Michael Checinski, delivered a blistering attack on Henry Kissinger, as the key culprit responsible for the loss of American military superiority to the Soviet Union.

Checinski, a Polish emigré who has worked for Israeli academic institutions and who is now at the U.S. Army Research Institute in Garmisch-Partenkirchen, West Germany, charged: "On the advice of Kissinger, the Soviet government got the green light from the U.S. and NATO to go ahead to achieve military superiority. . . . Kissinger argued that if you appease the Russians, and allow equality, they will no longer be aggressive."

Checinski then cited the famous quote from Kissinger, which appears in a memoir of U.S. Admiral Elmo Zumwalt: "Our purpose is the managing of Soviet superiority." According to Checinski, Kissinger also insisted, through the years, on putting himself forward as the chief of this "crisis-management" process.

Coming in the middle of a speech otherwise devoted to "Economics and Demography" in the U.S.S.R., Checinski's "impromptu" accusations so shocked the participants, including good friends of Dr. K, that an uproar ensued.

"I protest against this statement by

a speaker of the American army," Richard Loewenthal of the Free University of Berlin, a member of the Trilateral Commission and Aspen Institute, angrily exclaimed. "This is not the kind of speech which belongs to a scholarly gathering. When Kissinger was in power, he was trying to manage and stabilize equality rather than give Russia a chance to build up its superiority."

"I was so shocked by what this Checinski said, that I didn't behave well, I admit. I lost control of myself," Loewenthal confessed afterward. "I suspect that more is involved," he continued. "Checinski is technically employed by the American Army, engaged in their political education, on the question of Russia. My suspicion, my feeling, is that more than an individual is involved; he himself could not just do this. It's part of the general anti-Kissinger campaign, coming from the traditional Republican right, but also from the Weinberger-type people in the military.

"After all," Loewenthal stressed, "Reagan himself, in reality, has never been comfortable with Kissinger. He doesn't trust him. He only brought him onto the Central America commission with great difficulty."

He concluded, with one qualification: "Even I must admit, though, that, today, Kissinger has deteriorated, from what he was in his great time. It's a great strength, when you're the foreign minister of a great power, to not necessarily tell the truth all the time, but when you keep doing that after you've left office, it's a problem."

Attack on the money-changers

The Geneva event suggests that, on the strategic plane, Kissinger and his Trilateral Commission friends are

being put under very close scrutiny, especially in the weeks leading up to the next meeting of the European members of the Trilateral Commission in Paris Oct. 25-27. So controversial has that meeting already become that rumors are circulating in European capitals, among friends of former Trilateral Commission/North America head Zbigniew Brzezinski, that the conference site will be changed, or that the meeting itself will be postponed, perhaps even cancelled.

An interesting signal that Kissinger and Co. are being scrutinized *on the financial plane, too*, was the Aug. 21 appearance of a full-page article in the Milan daily *Il Giornale*, quoting extensively from the *Quarterly Economic Report* of EIR, to substantiate the argument that there is now a raging battle in the United States between "patriotic forces" supporting production, vs. "the Establishment" of Wall Street and "Finance," committed to "debt-trafficking" around the world. Reviewing the state of the American economy, the article outlined the usurious policies of such Trilateralist friends of Kissinger as Federal Reserve chief Paul Volcker and former World Bank head Robert McNamara.

It concluded that the central global battle was over the "sovereign control of credit," between those advocates of national sovereignty like the Japanese government and industry, and the believers in supranational control over credit policies, like the McNamara circle, and that the fight by the latter to "open" the Japanese capital market was becoming the central economic-financial policy fight in the world.

Of course, Kissinger, nominally in his capacity as head of Kissinger Associates and board member of American Express and Chase Manhattan, has been intensively involved in this targeting of Japan.

National News

Meir Kahane: I worked for the FBI

Former Jewish Defense League leader Meir Kahane, currently head of Israel's neo-fascist Kach party, admitted on U.S. television on Aug. 20 that he had worked as an asset of the Federal Bureau of Investigation.

Kahane appeared on "Crossfire," hosted by Tom Braden and Robert Novak. Accused by Novak of having used an assumed name while working as a right-wing activist in New York during the late 1960s, Kahane explained that he was working at the time as an infiltrator into the John Birch Society, on the payroll of the FBI, and therefore, could not use his real name.

Kahane arrived in the United States on Aug. 15 and will reportedly remain in the country until Sept. 12, visiting Houston, New York City, Boston, Los Angeles, and Salt Lake City, where he will meet with the Mormon Council of Elders.

A member of the Knesset, the Israeli parliament, Kahane is being played up as a major figure in Israel, growing in popularity, that one must contend with. According to sources, his meeting with the Mormons is designed to give him the image of someone who can undertake delicate negotiations. The Mormons are increasingly controversial inside Israel because of their proselytizing efforts.

The publicity being given to Kahane along such lines will be aided by a scheduled appearance at the National Press Club.

Ask special prosecutor in Soobzokov case

Warren J. Hamerman, Chairman of the National Democratic Policy Committee (NDPC), has called upon the United States Attorney General to appoint a Special Prosecutor to investigate the Aug. 15 terrorist bomb attack on Tscherrim Soobzokov in Paterson, New Jersey (see article, page 55).

In an Aug. 20 statement, Hamerman said:

"Since the prime suspect in the bombing, Mordechai Levi, is a known FBI informant, the FBI can hardly be expected to conduct a fair and vigorous investigation," stated Hamerman. "Under such conditions, when the FBI has a clear conflict of interest, the Attorney General is obligated to seek the appointment of an 'independent counsel,' or what was formerly called a special prosecutor.

"The FBI has already shown that it is either unable, or unwilling, to protect Levi's targets," Hamerman charged.

The facts bear him out:

In a public meeting held in Passaic, N.J., a week before the bomb attack, Levi publicly threatened Soobzokov. A few hours after the bombing, Levi called United Press International and praised the atrocity, calling it "a righteous act" while denying responsibility for it. Over the next 48 hours, Levi also made a series of threatening phone calls to associates of Lyndon H. LaRouche, a former presidential candidate and the chairman emeritus of the advisory committee of the NDPC.

In fact, Hamerman charged, Soobzokov had asked for FBI protection before the bombing—and it was denied!

"Not only is Levi still going after Soobzokov, but he is threatening LaRouche and his associates as well. The government must act to stop him, over the heads of the corrupt FBI."

Gen. Vessey asks strengthened defense

Outgoing Joint Chiefs of Staff chairman Gen. John Vessey told the VFW convention in Dallas on Aug. 19 that the Soviet Union's military forces "are armed to the teeth," and that if the United States is to secure peace, other countries must know it is ready for war at all times by maintaining strong armed forces and continuing its defensive strategy, including the anti-missile Strategic Defense Initiative.

"We don't want a nuclear war; we don't want a conventional war. But we also don't want to be paralyzed by the fear of war as

we go about our business. . . ." said the general. "Strong defenses require a continuing commitment, and we need healthy armed forces because the world today is a troubled place."

Vessey urged Americans to "not stick our heads in the sand" about the Soviet threat. Enemies of the United States have to know that "if you pick a fight with us, you'll be in serious danger of getting your clock cleaned."

U.S. Communists attack LaRouche

The Aug. 15 edition of the Communist Party-U.S.A.'s newspaper, *Daily World*, carried a full-page smear of EIR founder Lyndon LaRouche and various organizations associated with him, calling LaRouche and his associates "anti-communist" provocateurs in a strike of Wheeling-Pittsburgh steelworkers.

The article can only be interpreted as a threat to LaRouche and his supporters ordered from Moscow.

Written by "LaRouche watcher" Tim Wheeler, the article accuses "agents of the ultra-right cultist Lyndon LaRouche" of going to picket lines, misrepresenting themselves as *Daily World* spokesmen, and provoking fights with the strikers.

The article alleges LaRouche-organization ties into the CIA and the Reagan administration, and accuses LaRouche of fraudulent fundraising for his presidential campaign. It also names names of LaRouche contributors.

Soviets said to direct U.S. terrorists

A Soviet cable to U.S. terrorist groups ordering them to go on an offensive has been intercepted by U.S. intelligence. The offensive is designed to psychologically destabilize President Reagan prior to his November summit meeting with Mikhail Gorbachov.

U.S. security and law enforcement authorities are on an alert for a Shi'ite car bombing in Washington, D.C. sometime in the near future. Sources say that the Shi'ite terrorists are upset that the main "Satan," the United States, has gone virtually untouched by their attacks, and that now the time is right.

There is also serious concern about terrorists targeting the 40th anniversary celebrations of the United Nations in late October. Between Oct. 22-24, 80 heads of state will be present in New York, including President Reagan, Margaret Thatcher, Castro and the Pope.

On Aug. 20, three pipe-bombs were discovered in the city, all of which failed to go off. Two of the bombs were placed outside Morgan Guaranty, and the third was planted at 1 Chase Manhattan Plaza. According to New York police sources, the internal features of the three bombs, which were identical, fit the mold of the old West Coast-based New World Liberation Front, and the Weather Underground.

Their discovery created panic on Wall Street, with many people not showing up for work, or simply going home after the evacuations of office buildings.

Aspin threatens to block defense budget

Former McNamara "Whiz Kid" at the U.S. Defense Department, Rep. Les Aspin (D-Wisc.) is threatening to hold up the 1986 U.S. defense budget, unless the administration agrees to accept the 50-missile limit which Congress has imposed on MX missile production as absolute.

Responding to statements by Secretary of Defense Caspar Weinberger that the administration will seek funds for 100 MXs, Aspin has written to the President and Weinberger stating he will seek a delay in passage of the defense budget, and possibly deeper cuts in military spending levels. "My view . . . is that the 50-missile cap is permanent," wrote Aspin. "If the cap is not going to be permanent, then I think it is pretty clear we have no deal" on defense spending.

The Pentagon has responded by reiterating its intention to seek a full 100 missiles. Asked about Aspin's threats, DOD spokesman Fred Hoffman said yesterday that Defense Secretary Weinberger has repeatedly argued that "50 MXs are not enough" and that Congress should approve funds for the entire 100. The Pentagon has no argument with Congress's saying it won't approve funds for more than 50 missiles in the current basing mode, said Hoffman, but is now concentrating on the 51st missile and beyond. "We are currently studying alternative basing modes, so we see no reason for this issue to delay" the vote on the defense budget.

Milton Croom: Beware slanders about LaRouche

Milton Croom, a pro-defense spokesman from North Carolina and a member of the National Legislative Committee of the American Legion, has written an open letter to American Legion members, warning against slanders circulating against Lyndon H. LaRouche within Legion circles, including in a confidential letter to state adjutants from National Adjutant Spanogle.

"I feel it my responsibility and patriotic duty," he wrote, "to respond to what I consider scurrilous statements concerning Mr. LaRouche.

"For the last several years, I have been in contact with members of various organizations associated with Mr. LaRouche. It is my direct knowledge and experience that Mr. LaRouche and the persons associated with him are among the most sincere and dedicated patriots in the country. They have led many important battles for policies that our nation sorely needs. This includes their long-standing fight for a crash program for the Strategic Defense Initiative, in which they stood virtually alone for many years. I regret to say, but they were years ahead of our own organization in this regard. . . ."

As for the Heritage Foundation, which originated the slanders, Croom pointed out that it has been "on the wrong side of all the important issues."

Briefly

● **THE CONGRESSIONAL** Research Service has issued a report stating that the White House can do little, if anything, about Soviet violations of arms control treaties. "Theoretically, the United States has at its disposal a range of noncompliance policy choices. . . . Any would be politically risky for an administration because of likely reactions in Congress, the public, and by the Soviets. Moreover, it is questionable whether Congress would, except in extreme circumstances, fund programs that were acknowledged as being violations, regardless of the cause."

● **THE FIRST SILO LAUNCH** of an MX missile, conducted at California's Vandenberg Air Force Base Aug. 23, was a complete success. Air Force officials reported that the missile ejected from the specially-adapted Minuteman silo like a "cork from a champagne bottle."

● **CAMPAIGNER** Publications filed a petition in federal court in Washington on Aug. 22, asking the court to order Attorney-General Edwin Meese to remove Boston U.S. Attorney William Weld from a grand jury investigation of Campaigner, The LaRouche Campaign, and other organizations. The complaint charges that Weld is "investigating" the organizations because they have published the truth about the Boston Dope, Inc. firms with which his family is associated.

● **ROBERT DOLE** (R-Kan.), the Senate Majority Leader, is predicting "chaos" when an administration request to raise the ceiling on the U.S. national debt goes to Congress early this fall. "Chaos is probably an over-used word in this town," Dole told *U.S. News & World Report*, "but it could be a mess because I see the likelihood of Sen. Robert Byrd . . . holding back Democratic votes until all Republicans are on record. And there are some Republicans who just won't vote to raise the debt ceiling."

Editorial

Another rotten Anglo-Soviet deal

The violent destabilization unfolding in South Africa is yet another product of the rotten "modus vivendi" between the Russian imperialists ruling in the Kremlin, and the European imperialists who dominate the City of London and Switzerland. The destruction of South Africa, if allowed to proceed by this Anglo-Soviet script, will undermine the security of the West and provoke genocide in South Africa itself, as well as in the rest of the continent.

South African President Pieter Botha hinted at the origin of the problem in his speech to the National Party Congress on Aug. 15, when he attacked foreign interests who are intervening in the South African crisis. Botha said, "South Africa's problems will be solved by South Africans and not by foreigners. . . . The tragedy is that hostile pressure and agitation from abroad have acted as an encouragement to the militant revolutionaries in South Africa to continue with their violence and intimidation."

The "militant revolutionaries" are the Moscow-backed African National Congress (ANC), whose executive committee issued a call in January to make South Africa "ungovernable." The ANC's imprisoned leader, Nelson Mandela, has said that "violent revolution" is the only way forward. While the ANC is not totally controlled by Moscow, the Soviets are increasing aid, arms, and training to the movement to destabilize South Africa.

Yet so far, Botha and black moderate leaders in South Africa have failed to name the main forces trying to undermine the country: the British oligarchs who have milked South Africa throughout this century, and whose International Monetary Fund and World Bank are turning the African continent into a holocaust of starvation and disease. From London, these interests, led by modern-day heirs of the British Empire's Cecil Rhodes, oversee not only the mining operations that make Britain the dominant financial power in South Africa, but also the institutions—such as the Institute for Race Relations—used to control much of the black opposition to apartheid.

It is the business complex of the Oppenheimer interests (Anglo-American), which includes the Central Selling Organization (diamonds, DeBeers), and the big British banks of Standard Chartered and Barclay's, that runs South African raw materials and finance. This cartel wields a powerful blackmail card against the industrialized countries, especially the United States and Western Europe, which depend on South Africa for strategic minerals not otherwise available in the West. These are the same British interests which have cut the New Yalta deal with the Soviet Union, in a plan to use the Soviets and their assets to destroy the United States and the underdeveloped countries.

They have decided to sacrifice South Africa as part of their global plan—but they don't realize that only the Soviets will benefit from this.

British oligarchical obsessions are thus leading the West into a tragic policy-error. It must not be forgotten that the British set up the apartheid system in the first place, as the means of both preventing the development of the black population of South Africa, keeping them as slaves at the bottom of a caste society, and of manipulating the "Boers," to make sure that the bitterly anti-British white Afrikaners would never link up with republican forces elsewhere, and make a real republic in South Africa.

When they were unable to defeat Boer guerrilla tactics in the Boer War of 1902, the British took revenge by introducing concentration camps, where more than 20,000 Boer women and children died. Then, British and U.S.-based Morgan interests, as represented in the Cecil Rhodes mining conglomerate, had a free hand in instituting policies designed build up South Africa as a bulwark of the British empire, with an industrial edifice based on black slave labor. The state Labour Bureaus, set up right after the war, became the guts of the apartheid system.

If the Anglo-Soviet deal prevails, the potential for using South Africa's industrial economy to industrialize the African continent is lost. U.S. policy must be to unmask, and repudiate, that deal.

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