

EIR

Executive Intelligence Review

April 18, 1986 • Vol. 13 No. 16

\$10.00

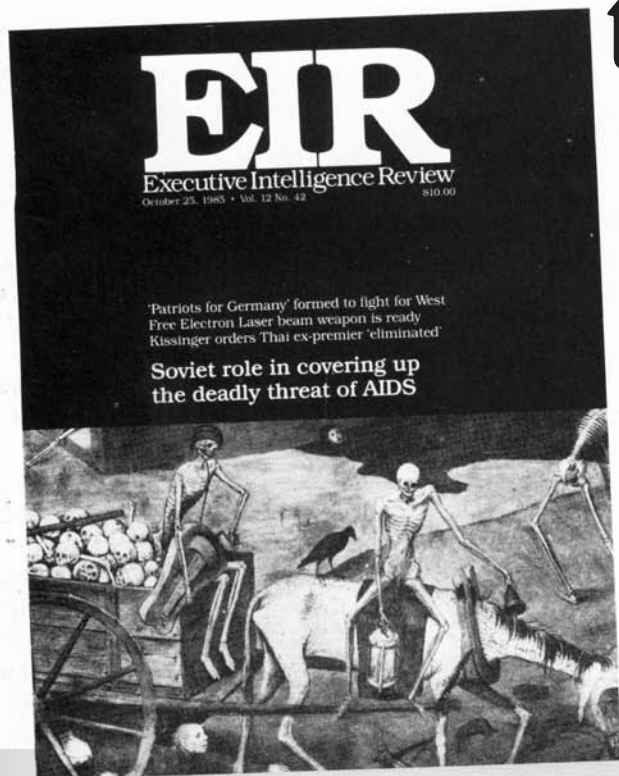
Lyndon LaRouche tackles the drug lobby's media
Cardinal Ratzinger on the 'freedom to do good'
Patches come loose on the banking system

**Qaddafi's world terror binge:
Moscow calls the tune**



AIDS is now a threat to everybody

Who said it first?
EIR did!



On March 2, the New York Times Magazine finally admitted that AIDS could spread outside of the so-called risk populations of homosexuals and drug-users. EIR had the story six months before: that millions of Africans, men, women, and children, had the disease; that AIDS is a disease of economic breakdown, spreading under conditions of overcrowding, lack of sanitation, etc.; that quarantine was mandatory—and that the Soviet Union, in control of the World Health Organization, was playing the principal role in covering up AIDS' nature and spread.

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EIR

From the Editor

The editors of *EIR* are leading an international offensive against the narco-terrorists and their financial backers. This week's cover *Feature* is part of that campaign. On April 30, the English-language second edition of the book *Dope, Inc.* will be published, incorporating the documentation from the Spanish *Narcotrafico, SA*, that has turned Ibero-America upside down over the past year. That date is the second anniversary of the murder of Colombian Justice Minister Rodrigo Lara Bonilla, who, we have vowed, shall not have died in vain in his fight against the drug traffickers.

On April 9, *EIR*'s founder and contributing editor Lyndon LaRouche minced no words in an appearance at the National Press Club in Washington, naming White House chief of staff Don Regan as an agent of the drug-money laundering major banks, and identifying media lies against LaRouche as coming from the dope lobby (p. 56).

How frightened our nation's enemies are at this offensive is seen by the hourly reports *EIR* is receiving of terrorist attempts against our associates internationally. In Italy, the newsweekly *L'Europeo* (publisher of *Pravda* in Italian) not only regurgitated the Soviet and drug-lobby lies against LaRouche's associates in the European Labor Party, but printed the addresses of party offices and locations of frequent street sites where party members organize. This occurred shortly after the April 6 bombing of *EIR*'s Paris offices.

In Lima, Peru, the "Tupac Amaru Revolutionary Movement" (MRTA) claimed responsibility for a bomb which was placed in the chapel of the Colegio San Agustín on April 10. The Colegio was at that very moment co-sponsoring a conference with the Schiller Institute, founded by Mrs. Helga Zepp-LaRouche, to celebrate this year's 1600th anniversary of the conversion of St. Augustine to Christianity, under the title, "St. Augustine, Precursor of the New World Economic Order."

As the article on page 33 relates, MRTA is part of the "America Battalion," a transnational army for the destruction of nation-states set up by the narco-terrorist bands who met recently as Qaddafi's guests in Libya. Their explicit aim is to destroy the very premises of our Judeo-Christian civilization.

The Vatican's eloquent and timely re-statement of those premises is reported on page 38.

Nora Hamerman

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EIR/Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and first week of January by New Solidarity International Press Service 1612 K St. N.W., Suite 300, Washington, D.C. 20006 (202) 955-5930. Distributed by Caucus Distributors, Inc.

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany. Tel: (06121) 8840. Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: EIR, Haderslevgade 26, 1671 Copenhagen (01) 31-09-08

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

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

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Postmaster: Send all address changes to *EIR*, 1612 K St. N.W., Suite 300, Washington, D.C. 20006 (202) 955-5930

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The patches are coming loose in the banking system

by David Goldman

A 4% drop in the U.S. dollar's value on foreign markets greeted arriving finance ministers and central bank governors attending the April 8 meetings at the International Monetary Fund in Washington, D.C. European financial interests had already drawn the conclusion which became obvious after the first day of the IMF's Interim Committee meeting: The U.S. Federal Reserve will continue to print money as fast as it can, to prop up the banking system as long as it can, and other central banks will watch at arm's length.

Theoretically, the Fed may prop up the banking system indefinitely, until the dollar's course runs asymptotic to zero. But because we live in the real world, the Federal Reserve will have no such luck.

The Fed now confronts the same problem that the institution failed to solve during 1929-34. It can pump money all day and night, without braking the deflationary collapse of commodity, land, and other prices which now threatens the banking system. The Fed is "pushing on a string," in the old Depression phrase.

That is the issue underlying the otherwise trivial discussion of "coordinated interest-rate reduction," or "exchange-rate management," which heads the formal agenda at the current round of economic talks, which culminate next month in the six-nation Tokyo economic summit. Translated back into English, the question is whether the Germans, Japanese, and others will pump money out as fast as does the Fed, and thereby destroy their own banking systems. The answer, widely expected, was, "No."

Fittingly, the IMF meeting convened under the luckless star of the Mainland Savings failure in Houston. One of the

largest U.S. financial institutions ever to fail, Mainland had over \$1 billion in assets. Domestic news media ignored the turning-point character of the Mainland bankruptcy, but the London *Financial Times*, the daily newspaper of the multi-trillion-dollar offshore financial market, took notice.

"Normally, when a bank or savings bank fails in the U.S., regulators have provided de facto insurance coverage to all depositors, regardless of size, because of worries about effects on confidence if large depositors were allowed to lose their money. It was feared that other depositors would withdraw their money from other savings banks and precipitate a run on their deposits. However, the cost of rescuing the growing number of savings banks in trouble is putting a heavy strain on the savings banks' insurance funds, which protect depositors, and regulators are under growing pressure to allow big depositors to lose some of their money," wrote the *Financial Times* April 5.

Shock to Texas real estate

Mainland had already foreclosed on \$109 million in Houston real estate, sending a shock through the already-crumbling commercial-property market. "We're out of the talking stage and beginning to take action," said Howard Montgomery, a state-appointed supervisory agent who took over day-to-day control of Mainland on March 5. Mainland hopes some of the property owners will pay up, rather than be foreclosed upon.

Texas banks have more than one-third of their loans in real estate, and a solid 40% of Houston and Dallas commercial property is sitting vacant. The combination of the oil-

price collapse, and the spin-off effects in the shaky real-estate market, promises to take down the entire \$200-billion Texas banking system, as *EIR* documented in last week's issue.

Only days before Mainland Savings closed its doors, the California-based Financial Corporation of America, one of the nation's largest, and worst-off, savings institutions, reported that its bad loans had grown to \$2 billion as of the end of 1985. The bad news at the \$40 billion institution also spells the end of the FSLIC's balancing act. Financial Corporation of America had been on the brink of failure during the summer of 1984, and its last-minute rescue was the FSLIC's flagship operation.

Regulators are projecting \$22.5 billion in FSLIC payouts over the next five years, but the actual total will be at least \$50 billion, according to financial press reports. Actually, a more realistic estimate is \$80 to \$100 billion. The Federal Savings and Loan Insurance Corporation is now much deeper in the hole than the bankrupt Maryland and Ohio state insurance funds, which were unable to prevent a freeze on withdrawals at thrift institutions in those states last year.

Against this, the FSLIC has only \$2 billion of uncommitted cash left.

As of Sept. 30, 1985, there were enough troubled S&Ls in Texas alone to drain the Federal Savings and Loan Insurance Corporation of its entire \$2 billion in uncommitted funds twice over.

The open pump

The federal government injects liquidity into the savings bank system in three ways. First, the Federal Home Loan Board Bank can lend its vanishing resources directly to the S&Ls. Second, the federally sponsored "off-budget" agencies can buy their mortgage paper and repackage it for investors, complete with federal guarantee. Third, the Federal Reserve can raise the S&Ls operating margin directly, by reducing interest rates.

The most spectacular, and least mentioned, development on securities markets in the past two years is the staggering rate of increase of federal support for the mortgage market. During 1984, the "federally-sponsored agencies," such as the Government National Mortgage Association ("Ginnie Mae") and the Federal National Mortgage Association ("Fannie Mae") floated about \$50 billion worth of paper net. During 1985, the figure doubled, to roughly \$100 billion. This year, the agencies will probably double their borrowing again, to the range of \$200 billion.

Ginnie Mae has been lending so fast that its \$65 billion ceiling for guarantees during the September 1985-September 1986 fiscal year was already exhausted by April 7. The Reagan administration has had to apply to Congress for increased borrowing authority. That is all the more remarkable, since federally guaranteed borrowing of this type is indistinguishable from ordinary deficit financing. *The federal government is, in effect, borrowing an amount exceeding the Gramm-*

Rudman deficit target, in order to support the real-estate and related financial markets.

Meanwhile, the Federal Reserve has pushed down the financial markets.

Meanwhile, the Federal Reserve has pushed down the interbank overnight lending ("Federal funds") rate to the range of 6-6¾% as of April 9, compared to an average rate of 7.39% during the week ended April 2. The banks are so flush with money that borrowing from the Fed's discount window, the usual measure of banks' liquidity requirement, has virtually disappeared. The Fed is providing all the funds the banks can absorb through the open-market desk.

For the thrifts, the Fed's largesse buys time. Since deregulation hit the industry in 1980, the savings institutions have been caught between their holdings of low-interest, fixed-rate mortgages, and their need to bid for funds at whatever the market demands. Lower interest rates increase their operating margins, by raising the "spread" between the thrifts' cost of funds, and their income from portfolios which include older, low-interest paper.

Meanwhile, the regulators are ignoring hundreds of savings and loans who are still losing money, and whose net worth is negative, hoping against hope that some additional income stream will allow them to creep back into the positive before depositors panic.

During the last week of March, the FSLIC stopped injecting capital into bankrupt thrift institutions, as it had previously done in order to enable them to keep their doors open. That is, 460 insolvent savings and loans are still operating, because the insurance fund does not have the cash to liquidate them and pay off their depositors.

Savings and loan stocks have soared as a result, exceeding the rate of increase in the overall stock market during the past two quarters. Purchasers of these stocks may be extremely sorry they did so; the thrifts' problems, as noted earlier, are now much, much worse than the mere unfavorable interest-rate spread of the early 1980s. We now have a generalized crash of real-estate values.

Shift in assets

Since 1980, the beginning of Volcker's banking deregulation, the composition of savings institutions' assets has shifted noticeably. Commercial mortgages went from 10% to 14% of total mortgages, while home mortgages fell from 80% to 76%. The portion of multi-family mortgages remained the same at 10%. Three-quarters of their total mortgage loans of \$648 billion are home-mortgage loans. \$1.2 billion of these home-mortgage loans are delinquent, a tiny fraction of the \$32 billion in total problem loans reported by the S&Ls. The remaining \$30.8 billion in delinquent loans stems largely from non-single-family mortgage loans or related loan categories. The delinquency rate on the commercial and multi-family residential mortgage categories (along with a small volume of non-housing consumer lending) is

still traded at \$28 per barrel. Throughout the southwest of the United States, land prices are crashing along with oil, and the cash flow to support highly leveraged real estate is evaporating with the oil flows.

That is to say, *no reduction in interest rates will have any impact on the real-estate disaster*. Paul Volcker is in the position of a doctor used to prescribing iron pills for anemic patients; they don't do much for a punctured aorta.

The dollar doomsday machine

How long can the Fed keep money rates down? There are three kinds of money. One, namely, monetary gold, was demonetized for the interim, when the United States closed its gold window in 1971. The second is primary bank deposits, i.e., real, earned money, such as the proceeds of sales in international trade. The third is the kind of money banks manufacture by re-lending these primary deposits.

Bad money drives out good. To the extent that the Federal Reserve props up worthless bank assets by pumping money into the banking system, real money will avoid the dollar. Ronald Layton-Liesching of Chase Manhattan's Investment Banking division points out that there are two, distinct money markets. The Federal Reserve presides over the first, in which solvency is measured by whatever the regulators say it is. But the Fed has little direct influence over the second, namely, the large overseas private interests who ultimately must lend the United States what it needs to finance a \$150 billion annual payments deficit.

Holders of real money now dominate the international markets. After the collapse of most developing-sector debtors, the large international banks have virtually stopped lending. The international lending market is now dominated by the offshore "Eurobond" market, i.e., the market for securities purchased anonymously in Europe or elsewhere. The market is funded by about \$500 billion annually in "black" or "grey" money, including proceeds of international drug traffic, flight capital, and so forth.

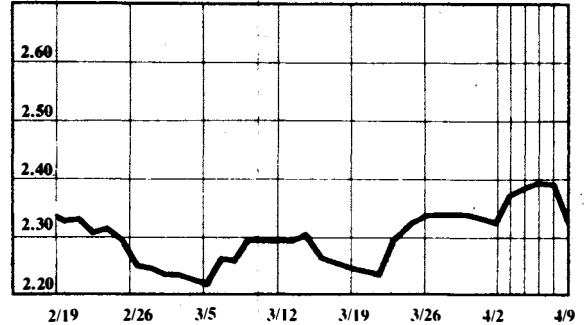
Dollar Eurobonds have already begun to fall in price, as European money grows suspicious of the dollar. Previously, major American corporate names paid the same interest rate in the Eurobond market as did the U.S. Treasury. Now the corporations pay about 1% more. "The people who buy Eurobond and the people who buy Treasuries are different people," Layton-Liesching explains. "European investors expect the dollar to fall, and are more hesitant to buy U.S. paper."

The United States now borrows \$150 billion a year, most of it from these sources, to finance its payments deficit. A run against the dollar will pull money out instead of bringing it in, forcing up American interest rates. If the banking system has not crashed before a run against the dollar, despite the open pump at the Fed, it will crash then. The IMF meetings have merely confirmed that the rest of the world has decided to leave Paul Volcker and the American banks to their fate.

Currency Rates

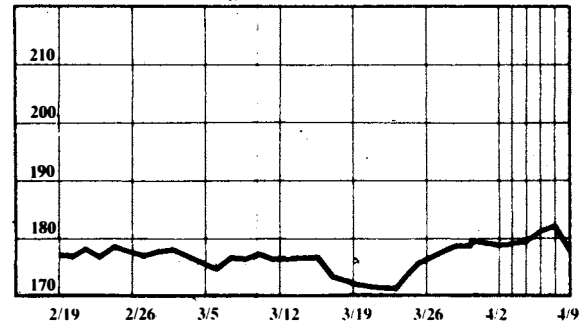
The dollar in deutschemarks

New York late afternoon fixing



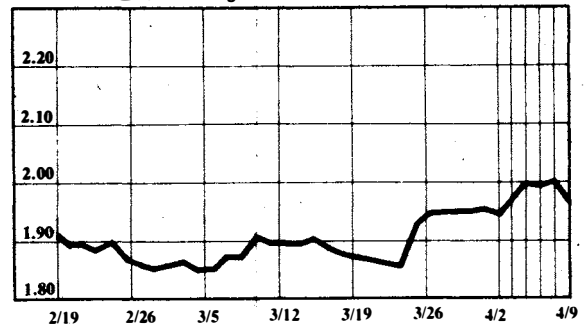
The dollar in yen

New York late afternoon fixing



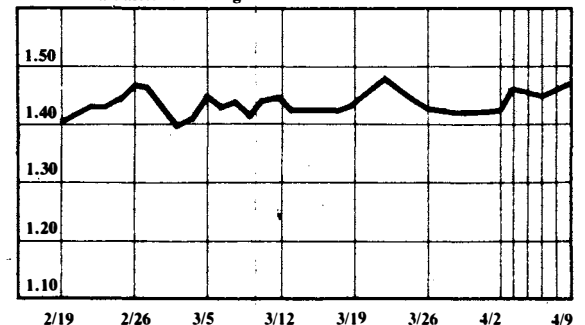
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Shultz: Give hi-tech to Soviet Union

by Kathleen Klenetsky

Insanity is the only word for the "post-industrial society" speech delivered by Secretary of State George Shultz in Paris March 21, in which he postulated the ludicrous thesis that the growing importance of "information technology," especially personal computers, has created such a profound dilemma for the Soviet leadership that the entire course of world history could be changed.

Claiming that "the Information Revolution is already shifting the economic balance between East and West," Shultz asserted that the Soviet Union and Eastern European regimes "face an agonizing choice. They can either open their societies to the freedoms necessary for the pursuit of technological advance, or they can risk falling even farther behind the West.

"That is why the promise of information technology is so profound," Shultz continued. "Its development not only strengthens the economic and political positions of democracies. It provides a glimmer of hope that the suppressed millions of the unfree world will find their leaders forced to expand their liberties."

These weren't the only miracles Shultz claimed for video display tubes. "If totalitarian leaders do loosen their grip in order to compete with the free countries," Shultz asserted, "they may find themselves, in that process, contributing dramatically to an improvement in relations between East and West. That easing of tensions would benefit not only the Soviet Union and the United States, but the nations across the globe whose destinies are linked to the East-West conflict."

This may seem bizarre, but it has a large following in the United States and Western Europe. Shultz's aides disclosed to the *New York Times* that the secretary of state has been "fascinated" by information technologies, and has been particularly influenced in this area by his friend, Walter Wriston, the former chairman of Citibank.

In a recent interview, Wriston confirmed that he has discussed the implications of the "information age" with Shultz many times, and insisted that the "dilemma" it poses to the Soviets "constitutes the best argument for the post-industrial society."

Other prominent figures have also signed on to this variant on the "Aquarian Conspiracy." Kurt Biedenkopf, one of the most powerful figures in West Germany's ruling party,

recently told an interviewer, "I agree with Mr. Shultz that . . . it can be politically interesting to have this trade technology transfer facilitated, in order to bring about structural changes in Eastern European societies."

Similar views have also been expressed by Henry Kissinger. For example, at a conference on "The Future for Democracy in an Age of Changing Communications," sponsored by the Aspen Institute in July 1985, Kissinger asserted that the same decentralized access to databanks that is required to manage modern economics will threaten any tightly centralized political structure such as found in the Soviet Union. "A regime preoccupied with maintaining its prerogatives and controls will be consigning its society to an economic backslide," Kissinger said.

Loosening technology transfer

There are two things going on here: mysticism, to the extent Shultz and friends believe themselves, and treason, in its practical implications.

First, as Wriston suggested, Shultz and his co-thinkers are simply refining their arguments as to why the United States should be glad that it has allowed its industrial base to slide into the mud: "Who cares if the Soviet Union is now embarked on a militarized campaign to beef up its steel, machine-tool, and other key industrial capacities? We've got our IBMs, our Apple IIs, after all, and they don't. Steel mills are obsolescent anyway."

Second, and more immediate, the notion is clearly intended to justify a vast increase in the transfer of advanced computer technologies to the East—precisely those technologies which the Soviets need to put their military machine—already significantly superior to that of the West—in prime war-fighting condition.

The issue of what kind and how much technology the West should sell to the East has been a consistently hot issue. Export controls have been in place for decades, although they have been significantly relaxed over the years, particularly in the late 1970s when then-Senator Walter Mondale succeeded in pushing through Congress a new Export Administration Act that so loosened the restrictions on computer trade, it became known as the "Control Data Bill."

Not surprisingly, Shultz's public articulation of the idea coincides with a renewed effort by the State and Commerce Departments, and various East-West trade groups, to eliminate many of the existing national-security restraints on such technology transfers.

In a speech to the American Committee on East-West Accord the day before Shultz's Paris address, Commerce Secretary Malcolm Baldrige claimed that the list of items banned for export to the Soviet Union is 30% to 40% too high, and called for an overhaul of the whole list. The United States should not "wage economic warfare against the Soviets" and should expand non-strategic trade. Sources have told *EIR* that "the whole fight is going to come to a head soon. Shultz is really moving on this one."

Thatcher's 'privatization' disaster spreads around the world

by William Engdahl

New French Premier Jacques Chirac presented his economic program to the National Assembly on April 9. The keynote of his proposals was a call for significant reduction of state intervention, so-called *dirigisme*, through a major sell-off of national industrial and financial assets. Although this "privatization" program fell short of the worst that was feared, it marks an open door for speculative stock-market operations to loot what is left of the previously protected French national economy.

Under the Chirac program, at least 200 billion francs in assets will be put on the auction block over the next five years, including some of the world's most valuable industrial and financial holdings, for example, Europe's most advanced aerospace/military industry.

The large nuclear and electric company, Compagnie Générale Electric; the advanced electronics firm Thompson; Rhone-Poulenc, Europe's seventh-largest chemical industrial company; Pechiney, the third-largest aluminum company in the world; the advanced Matra aerospace/military company, as well as Dassault, France's largest industrial company, Elf-Aquitaine, the petroleum multinational, is on the list. Such financial conglomerates as Crédit Lyonnais, Société Générale and BNP, Paribas, and Suez are in line. Through this complex of financial holding companies and industries, the French state has the largest concentration of government-owned industry of any Western nation. Far from "creeping socialism" of the British Labour Party variety, the bulk of French state concentration was initiated by Gen. Charles de Gaulle in 1945, to facilitate post-war rebuilding.

The complementary side of the Chirac "privatization" strategy is legislation to permit foreign capital to flood into French stock exchanges and credit institutions to buy up the privatized industries. Alain Juppe, minister for the budget and widely believed to be the mastermind of the plan, announced April 9 in Paris that the government will move rapidly to abolish foreign-exchange controls on corporate transactions. Until now, France has been one of the last bastions of protectionism, a tradition dating back to the build-up of the nation in the 17th century, under the "mercantilist" strategists Sully and Colbert.

The French strategy is a "foreign import." It has been drafted by law firms in consultation with such London merchant banks as Morgan Grenfell and Lazard Brothers, and the famous Rothschild family, one branch of which has been

adviser on the British government privatization. The model for France is the colossal failure known in Britain as the "Thatcher revolution."

The Tory government was elected in 1979 on a promise to reverse the growth of the state in industry and commerce. At the time, coal, steel, electricity, energy, ship-building, aerospace, and engineering were held in trust by the government, preventing private speculation. Over the past eight years, the Thatcher "free enterprise" cabinet has managed to sell off to private interests all or a major part of British Aerospace, Cable & Wireless, British Sugar, Britoil, port holdings, Sealink, British Telecom, British Petroleum, and British Shipbuilders. Plans for further auctions of state assets include British Airways, British Gas, British Steel, Rolls Royce, and parts of the National Coal Board. If the "Iron Lady" is allowed to continue, Britain will have sold off more than £21 billion in assets by the end of 1980s.

One of the government's purposes has been to raise money for its national budget. Sell-offs are planned to bring in £4.75 billion per year for the next three years to the beleaguered British Treasury. Some £2.6 billion was raised in 1985 from such sales. In effect, Chancellor of the Exchequer Nigel Lawson is using this "one shot" fire sale to compensate for North Sea revenues, more than £11 billion in 1985, dropping by almost half. A representative of Laurie Milbank, a London speculator in privatized shares, denies charges that the government is "selling the Crown jewels. We are merely transferring the assets from an inefficient member of the family to an efficient one." Is this so? The facts are otherwise.

First, the sell-off is a massive "insider" affair being run by the world's largest unregulated financial center, the City of London. Oonagh McDonald, member of parliament specializing in Treasury matters, attacks Thatcher's "negative public

the need for government borrowing. He points out that the sales, under advice of the very private merchant banks and brokerage houses making huge speculative profits from share trading in the privatized companies, are being orchestrated at severe disadvantage to the state—i.e., the British nation. He points to a remarkable rise in share prices *after* sale of undervalued companies, an undervaluation he estimates at 25%. "Selling off these assets in a bull market has meant huge speculative gains for pension funds and insurance companies." The parliamentarian adds, "The government's cred-

ibility has been severely dented. Selling off public assets has raised far less public revenue than the government had hoped."

Now, the most controversial of all sales is being studied, privatization of the national water industry. It is estimated the sale will yield, at best, £6 billion. But the total assets of the national water authorities are estimated to be worth at least £27 billion, according to a government study.

Record unemployment levels

The results of Thatcher's "revolution" have actually been incalculable in dollar terms. Sale of the state industries has opened the door for asset stripping by the new owners, layoffs, and closing of industrial production. The result of Thatcher's "free market" economic policies have been unemployment levels of well over 3.3 million (officially). This is the highest unemployment since the depression of the 1930s.

The British Office of Population Censuses has just released a report which shows that, over the past decade, industrial employment in Britain has collapsed 24%. In certain major industrial cities, factory employment has dropped as much as 40%. Privatization has fueled this unemployment and de-industrialization.

London's 'big band'

The City of London is a corporate entity in which some 50,000 people are employed. It is the world's largest unregulated financial center. Under a series of Thatcher initiatives in past years, on Oct. 27, 1986, the final stage of deregulation process, known in the financial community as the "Big Bang," will become fully operational. Then starts a free-for-all as part of what is called "globalization" of world financial markets. Banks are buying brokerage houses in preparation. Swiss banks are coming into the game. And the world's largest, and perhaps most disreputable, financial holding company, Merrill Lynch, has become the first non-British firm to join the London Stock Exchange, despite considerable private controversy over such firm practices as "churning" accounts—repeated buy-sell-buy operations to trigger speculative fluctuations in corporate stock.

The "Big Bang," already largely operational, will allow any international financial and commodity firm to engage in such complex electronic transfers that investigation of drug-money laundering, for example, will be virtually impossible. One leading London broker told *EIR*, "It will put enormous strains on the personal integrity of the broker to avoid temptations built in for conflict of interest."

Merrill Lynch Capital Markets in London has just named Michael von Clemm, the controversial Eurobond guru of Crédit Suisse/First Boston to head its expanded London operations. Informed London insiders have speculated that former Merrill Lynch directors Donald Regan and David Mulford, top policymakers in the Reagan administration, are themselves acting in a very special way to advance the interests of firms such as Merrill Lynch. "It will be every man for himself," said one analyst, as a series of financial scandals

involving Johnson Matthey Bank, Lloyds insurance group, and the International Tin Council began to erupt. But the government has so far refused to take any significant step to fix rules for the coming "wild west" show.

Such speculative international capital flows have been behind the record rises of the world's major stock markets over the recent period. In 1985, Wall Street and London markets advanced to record levels. Under the recently deregulated West German stock rules, market shares have risen some 65% in recent months, though banking control of major German firms is still far stronger than in United States or United Kingdom, limiting the amount of stock shares available to international speculative ravages.

The French strategy is a "foreign import." It has been drafted by law firms in consultation with such London merchant banks as Morgan Grenfell and Lazard Brothers, and the famous Rothschild family, one branch of which has been adviser on the British government privatization. The model for France is the "Thatcher revolution."

In the United States, where one estimate is that up to 70% of the 1985 stock price rise came from speculation in such fraudulent schemes as "junk bonds" and leveraged buyouts of unprecedented scale, details are leaking out of the unscrupulous "computer-age" practices now being used to rig stock swings. Known by brokers as "program trading," according to one report in *BusinessWeek* magazine, some 100 insider traders electronically coordinate their buying and selling, down to the pre-arranged minute. In one such recent move on the New York Stock Exchange—at 3:30 p.m. on March 21—a record 57 million shares of pre-selected stocks changed hands, in the final half hour of trading, forcing the fourth-largest decline in the history of the exchange.

Now, deregulation in London, the Far East, and such European centers as Amsterdam and Paris, will enable such speculative orgies to rock the very foundations of the world industrial economy at will.

The opening of France to foreign capital and the offer of one of the Western world's most important concentrations of advanced industrial production facilities to the savages of this "privatization," only means that France stands to be rapidly transformed into the same kind of deindustrialized junk heap which Britain has become under the "Thatcher revolution."

Peres in war with Sharon over Middle East development plan

by Mark Burdman

In the week immediately following Israeli Prime Minister Shimon Peres's April 1-3 trip to the United States to announce his proposal for a "Marshall Plan" for the Middle East, Israel itself erupted in some of the most intense political warfare since Israel became a state in 1948. The worst of Israel's International Monetary Fund, U.S. State Department, and Soviet intelligence front-men, have come out of the woodwork to violently attack the prime minister. Peres has, thereby, been presented with the challenge, and opportunity, to go for early general elections, and clean this nest out of government.

The two key protagonists in the anti-Peres warfare have been Gen. Ariel Sharon, Israel's minister of trade and industry, and Yitzhak Modai, Israel's finance minister and architect of the past months' IMF austerity policies. According to the French daily *Le Monde* of April 11, Modai, during the Israel's 1940s War of Independence against the British, was Sharon's military superior, and was close to Sharon's family; the two had developed an "amicable complicity" during this period. The ties that bind them personally and politically run very deep; both, among other things, are working on behalf of those drug-money-laundering banking families, such as the Recanatis originally of Venice and Salonika, Greece, who have been trying to turn Israel into a gambling-casino paradise, and who are aghast at the Peres plan.

No sooner had Peres returned to Israel, than the widely read daily *Ha'aretz*, on April 4, quoted Modai denouncing Peres as an "ignoramus" in economics, and as a "flying prime minister." Modai charged that Peres was sabotaging Israel's economy, by selectively bailing out Labor Party-linked enterprises, while failing to come up with a general plan for Israel's economy. He said this right after Peres proposed what his Economics Minister, Ga'ad Yaacobi, in an April 3 exclusive interview with *EIR*, labeled a "comprehensive regional economic development plan" for the Middle East!

Peres angrily demanded the finance minister's resignation, opening a rift in the Labor-Likud coalition government. Under Israeli law, especially under the peculiarities of the coalition arrangement in effect now, Modai cannot be "re-

signed," without the whole government collapsing and early elections being called.

Then, on April 6, during the weekly Sunday cabinet meeting, Sharon launched a bitter diatribe against the Peres Marshall Plan. The next day's *Jerusalem Post* headlined, "Sharon Scorns Peres Proposal for Mideast 'Marshall Plan.'" The *Post* reported: "Sharon said the Arab states would increase their strength if Peres succeeded in convincing the major industrial powers to provide massive economic aid to the region, as the United States had granted Europe under the original Marshall Plan during World War Two." The *Post* then quoted Sharon, questioning Peres "scornfully": "Just for the sake of some public relations gimmick, are Peres 'scornfully': 'Just for the sake of some public relations gimmick, are you prepared to weaken the State of Israel? What possible benefit do you see in building up the power of the Arabs? What reason can you have for suggesting massive aid to Saudi Arabia and Syria.'"

According to one Israeli source, Sharon has, since that date, repeated his attack on the Peres Marshall Plan on at least one occasion, and intends, in the words of this source, "to make the Marshall Plan issue into a national campaign against Peres."

Sharon's bluster has brought to the surface the fundamental, underlying factional issue that has beset Israel for years, but is rarely seen in public. There is one school of Israeli thought, represented by Sharon and others, which holds that chaos and economic breakdown in the Arab world, and the fundamentalism and irrationalism that these bring, are, in and of themselves, a good for Israel. This is the strategic school, that wants Israel to become a "little Venice" in the Mideast-Mediterranean region, in strategic accord with the Soviets to kick the United States out of the area. The contrary school—the "visionary realists," as one source calls them—believes the opposite: that Israel cannot make a deal with the devil, and that the breakdown of the Arab world, and the ensuing reduction of American influence, is *the* fundamental strategic threat facing the Jewish State. Peres and others of this way of thinking have gone on the offensive in response

to the terrible economic collapse in the Arab world and in Israel.

A Peres adviser summed up the strategic debate in these terms: "The name 'Marshall Plan' has been adopted, because in the period after the Second World War, the United States was faced with two possibilities toward Europe: either to rebuild it, or to keep Germany, in particular, permanently backward. The first idea was the Marshall Plan, the second idea, the Morgenthau Plan. By his initiative, Peres is choosing the option of economic development as a response to the crisis, rather than keeping the Arabs in permanent backwardness."

The 'double bombs'

The political drama in Israel was all the greater because the week of April 7 was the week of the Israeli Labor Party's national convention, which followed immediately on the heels of the convention of the Histadrut national labor confederation.

This gave Peres the opportunity to bring his policies before the Party's delegate forum, representing party wards all over the country. By the evening of April 10, he had been given what one insider called "an overwhelming mandate by the convention to do whatever he wants."

It was in the context of this mandate that Peres's decision to directly address the Palestinians in his speech, saying, "We recognize you as a people," heated up Israel's political temperature. The word "people," in English, is the literal translation of the formulation that Peres used in Hebrew, but some insiders in Israel interpreted it as having "an emotional connotation here, more like what 'nation' conveys in English."

The Israel correspondent for France's *Le Figaro* newspaper, René Bauduc, reported on April 10 that Peres's speech had created "an earthquake in the Israeli political establishment," a "sensation." An Israeli insider told *EIR* April 11: "It's a radical change in policy. Fifteen years ago, also before a Labor Party convention, then-Prime Minister Golda Meir had said, 'There is no Palestinian people,' and had very scornfully said, 'I am a Palestinian.' Practically speaking, what Peres is doing, is starting to prepare the road for negotiations, in the end, with the Palestine Liberation Organization, in some form or other. That's what it's going to be. The Israelis are preparing to deal with the Palestinians as such, rather than through intermediaries."

In his April 9 speech, Peres linked the recognition of the Palestinian people to a general settlement in the region. Addressing himself to hypothetical Palestinian interlocutors, Peres said, "We don't have the intention of resolving our conflict by force or intimidation. You cannot convince us by terror, and we cannot convince you by war." He added, "We have to stop the possibility that the Middle East becomes like Lebanon. . . . We are saying that we are ready to begin a direct dialogue. We are ready to discuss with other Arab countries. We want peace."

One veteran observer of the Israeli scene told *EIR* on April 10: "Nobody expected Peres to launch these double bombs. First, he surprised everybody, earlier in the week, by demanding that Modai resign. Then, he surprised both his own party and the Israeli right wing, with this statement on the Palestinians. I'm sure his own defense minister, [Yitzhak] Rabin, is not prepared to go along with this."

Indeed, *EIR* has learned, Rabin is seething over Peres's "provocation," and over other issues. In past years, Rabin has been known to ally with the Sharon gang, and with Henry Kissinger's crowd in the U.S. State Department, to sabotage momentum toward a Middle East peace.

Early elections?

During the evening of April 11, a temporary, but fragile, ceasefire was arranged between Peres and Modai. One option being discussed is that Modai will agree to become a minister without portfolio, while Likud Vice-Premier Yitzhak Shamir, or even Peres himself, will assume the post of finance minister. Then, after six months, when Peres is scheduled to hand over the premiership to Shamir, as per current coalition arrangements, Peres would become finance minister, and Modai would become foreign minister.

In fact, nothing has really been resolved. During the week of April 7, the Likud component of the government—Sharon, Shamir, and others—insisted that they would not accept Modai's forced resignation, and would themselves resign en masse and collapse the government, if Peres pushed ahead with his insistence that Modai resign. There is much bluff in such threats, for the following reasons.

Peres must give up the government in any case in October. A new Likud government would, assuredly, overturn his entire political-economic package, including his "Marshall Plan" idea and his offer to the Palestinians, especially in view of the increase in Ariel Sharon's factional power within the predominant Herut bloc of the Likud Party since the mid-March convention of the Herut in Israel. Should the rotation occur in October, it is not impossible that Sharon himself could emerge as premier, even during the early months of 1987.

Although collapsing the government now would have its political risks for Peres, *not* collapsing the government and going for early elections has greater risks. The *Wall Street Journal's* April 9 editorial called for the Reagan administration to ally with Modai, against Peres and his "socialist" policies, and even to cut back on aid if Peres stayed in power.

This terror among the banker-IMF crowd at the prospect of early elections in Israel that could give Peres a "mandate of his own," as the *Journal* put it, is justified. In the eyes of one European strategist who has long experience in the Middle East: "Peres's Marshall Plan is a really good issue to get this coalition arrangement off his back. He was popular before, and he's more popular now. If I were him, I would risk going for elections."

LaRouche's development perspective for Israel and the Middle East

In December 1983, in the days preceding a fact-finding visit to Israel by his collaborators, presidential candidate Lyndon H. LaRouche, Jr. released a document entitled, A Proposal To Begin Development of a Long-Range Economic Development Policy for the State of Israel. In the political-economic climate defined by Shimon Peres's "Marshall Plan" proposal for the Middle East, EIR has chosen to republish excerpts from that policy document in which LaRouche outlined a general science of development for nations and regions. In what follows, we reprint those portions that deal more specifically with the problems of development of Israel and the Middle East.

Since April 1975, my associates and I have had intermittent discussions of the strategic significance of Israel's economic development both for Israel's long-range security and as an essential lever for securing durable peace in that region of the world. I believe that the time has come for *EIR* to undertake an in-depth study of possible outlines of a "crash program" for economic development of Israel.

The study should include an overview of high-impact economic development projects and policies for neighboring countries and regions of Asia and Africa. This should seek to identify points of direct cooperation (such as are implicit in the Mediterranean-Dead Sea canal as an agro-industrial-energy development project), and efforts which Israel and other nations should encourage politically whether or not direct Israeli involvement were included. Of the nations of the region, only Israel and Egypt command the resources of competence to contribute a leading part in defining practical approaches. . . .

The Israeli economy as such

The principal problems of the Israeli economy are the high per-capita indebtedness and the spill-over of the "post-industrial society" policy from the United States and Western Europe. The debt-ratio is not an insoluble problem, provided the United States considers the viability of the Israeli economy a matter of the vital strategic interest of the United States and Western Europe. Mere agreements on the restructuring of Israel's foreign debt could make that aspect of the combined problems manageable. The erosive effects of Israel's drift into becoming a "post-industrial society"

is immediately the fundamental problem. . . .

It were desirable that Israel's labor-force be apportioned in approximately the following ranges: a) 55-60% for combined production-costs plus national-defense, b) 5% or more for research and development, c) of production costs, less than 10% needed to produce required agricultural domestic needs plus a significant agricultural export-volume, and d) less than 40% in various categories of administrative, sales and services other than research and development. Israel should have relatively the highest level of per-capita energy production-consumption in the world for both industrial and agricultural production. . . . The emphasis in Israel's economy should be to foster agro-industrial employment of the labor-force of a small nation in the most advanced agro-industrial technologies in the world, with heavy emphasis upon research and development and advanced categories of machine-tool production of high-value per unit-weight in export-markets.

Consistent with this, Israel's technology-policy should be that of leap-frogging the advanced level of technologies in other nations, selecting those aspects of leap-frogging potentials which are adapted to a nation with a relatively tiny national labor-force. . . .

Israel's emphasis must be on utilizing the advantages of the Jewish diaspora, to utilize the diaspora's deep penetration of Western European culture, respecting mastery of the most advanced technologies, while extending the adaptive powers obtained through the diaspora to make Israel a most effective mediator of technology into developing nations. Israel has a natural potential for becoming a leading force in technology-transfer to and among developing nations. . . .

For example, Egypt is the reservoir of technological potential of the Arab world. It is not necessary, in this location, to detail the difficulties of realizing that potential. If the Qattara Depression project were implemented, to develop an agro-industrial energy-producing center in that location, and if the opening of an "old-new" branch of the Nile into the Qattara exit were developed, this would represent a fundamental leap forward in Egypt's development. Integral to this undertaking is the case of Sudan, whose underdeveloped agricultural potential represents the future breadbasket of northern Africa. The rational development of Egypt and Sudan implies upstream agreements on regional water-manage-

ment and related measures of development with African states on the headwaters of the Nile system.

If biomass-growth is fostered adequately over a region including Egypt-Sudan and the Middle East into the Euphrates-Tigris valleys, the vapor transpiration regulated by adequate biomass-growth over such an area means the production of new auxiliary weather-rainfall systems. This benefit is secured by promoting developments to the west of the Nile, including: a) a central sub-Saharan water-management project pivoted around the creation of a lake in Zaire to supply water into the vicinity of Lake Chad, and water-management projects in the western sub-Saharan region, supplemented by development of a brush-barrier along the Sahel-Sahara boundary. To facilitate this development, France should develop the "logistical spine" of a main-trunk, high-speed rail-system from Dakar to Djibouti.

For this entire region, the medium-term policy should be the utilization of fission-power, steering India to produce thorium-cycle heat-temperature gas-cooled reactor units as part of its role in the international division of labor. Israel's leading included concern should be the development of qualitative improvement of methods of desalination of water through aid of advanced physical principles—the strategic key to North Africa and the Middle East. Abundant energy-supplies based on high energy-flux density sources, made economical by application of advanced physical principles for desalination, is a strategic economic-political factor of the highest importance. Agro-industrial complexes based upon these and complementary technologies, are the key export-potential for Israel.

In practice, Israel has the political leverage to tilt U.S. policy in this direction, and thus to make Israel's role in such directions practicable. It is feasible, if a consistent, coherent effort to such effect is mobilized.

Israel is in fact a "garrison state," a condition imposed by circumstances not readily nor quickly altered. Military-security considerations and economic-security considerations must be efficiently integrated in this small nation. The resolution of this requirement is accomplished by a military general-staff policy and practice modeled upon the precedent of Lazare Carnot's work for France. This implies the required, coherent approach to the logistics of Israel, its development as an anti-"post-industrial society," a very advanced high-technology exporting agro-industrial nation, preferably with the highest ratios of employment of the labor-force among nations in the directions indicated. . . .

Science policy

. . . Today, as we have emphasized in an earlier location, Israeli policy, and Jewish outlooks more generally, are divided between emphasis upon the Holocaust of 1938-45 and emphasis upon approximately 2,000 years of Jewish survival under conditions of diaspora. It is our view and proposal that the Jewish state must employ the proven genius of the diaspora. As the Jew survived through all the persecutions into

1938-45, through contributions to the cultures of the nations among which Jews were dispersed, so the Jewish state as a state among nations may employ the "Jewish genius" for contributing to civilization as a whole upon the premise of Israeli strategy. This power on which we focus our attention here is the power obtained by mobilizing a commitment to development of the powers of the human mind, to produce thus something good needed by nations. . . .

What we propose for Israel is the implementation of a "knowledge-export" policy: the restructuring of the composition of employment of the Israeli labor-force needed to make Israel in net effect a "knowledge-exporting" economy.

This means, first, a shift away from the drift into a "post-

What we propose for Israel is the implementation of a "knowledge-export" policy: the restructuring of the composition of employment of the Israeli labor-force needed to make Israel in net effect a "knowledge-exporting" economy. This means, first a shift away from a "post-industrial society". . . .

industrial society," to become emphatically an industrial society emphasizing capital-intensive employment of its labor-force, steering this development with "crash program" efforts on educational reforms and scientific institutions, to the effect the industrialization of Israel's economy leads into the "knowledge export" role of the economy in world-markets.

. . . This implies a research-training institution modeled upon the Carnot-Monge Ecole Polytechnique precedent as the "science-driver" element of the effort. The three indicated areas of scientific breakthroughs (plasma regimes, directed-energy regimes, biological-medical research), should be application task-oriented for: 1) agronomy; 2) energy; 3) new industrial technologies based on new physical principles; 4) integrated agro-industrial nuplex designs. . . .

Technology as such

. . . In Israel and adjoining areas, including Egypt and Sudan, the emphasis must clearly be on development of agro-industrial complexes associated with nodes of large-scale energy and water-management infrastructural projects. Some of these, including an amplified Mediterranean-Dead Sea canal-project, are within Israel's physical means. For other cases, Israel's potential role is that of a participating vendor. In both kinds of instances, this sort of development is the world-market setting for Israel's foreseeable potentials—on condition that the world comes back to its senses on monetary and economic policy-issues.

Poverty, health, and pragmatism in the economy

by Dr. Hugu E. Arce

The author is assistant director of the Alfredo Lanari Institute of Medical Investigations, University of Buenos Aires, and Health Adviser to the Justicialist Party. This exclusive report to EIR was written in January 1986 in Buenos Aires.

If one took the circumstances and conditions that currently regulate, pragmatically, relations between the industrialized countries and the developing countries (to use the terminology common to the international technical institutions) which hold financial debts of great magnitude, and if one observed the facts as forming part of an interconnected whole, the ironic story of the "satanic Dr. No" might seem like a harmless nursery rhyme.

Let us look at some of these facts:

1) The industrialized countries need to expand their markets for manufactures and technology beyond the limits of the developed world, as part of their own potential for economic expansion.

2) The developing countries need to acquire these products, which their industries are not capable of supplying, to evolve economically and improve the socio-economic level of their population.

3) So that these mutual intentions be realizable, the industrialized countries offered a generous quantity of credits, which the developing countries hastened to accept, without really evaluating the future possibilities of paying them off.

4) To deal with these—both in capital and interest—the developing countries would have to obtain sufficient real resources through the sale of their own surplus production, including placing them on the markets of the industrialized countries.

5) With the aim of allocating the largest possible amount of resources for payment of foreign debt service, the developing countries would have to further drastically reduce their investments and internal credit, with the resulting contraction of the consumer market basket of their inhabitants.

6) However, the operative conditions of the international market and the economic rules of the Western world itself, determine that the developing countries receive less and less money for the sale of their products, and pay more and more for the purchase of industrial goods and technology transfers.

7) Hence, the world division of labor and the distributive inequality of the international community, far from being

compensated, tend to accentuate the differences, a process called by economists "deterioration in the terms of trade."

... The Argentine Republic fits perfectly into this group of phenomena, with some peculiarities: For example, it is practically self-sufficient in oil and other fuels; its major exportable volume is in agricultural products; its institutional system, and particularly its economic policy, have been highly unstable during the last 30 years; its privileged infrastructure of natural resources has made possible an acceptable standard of living for its population and a sizeable middle class, in comparison with the rest of Latin America.

The effects of recession

Let us now observe some of the characteristics of the economic recession caused by adapting to the rules of the game we have described.

a) The drastic reduction of investments and domestic credit takes immediate effect, depressing real wages and employment. Between 1974 and 1985, there was a net average drop of more than 2%, in constant 1970 currency, of the capital stock invested in durable capital goods, and in the same period, the industrial Gross Domestic Product declined by 21%. During this decade the number of employed operatives in industry went down 12.6%, which actually means 40% if the employment of manpower had grown in the same proportion as the inhabitants of the country. In relation to the economically active population, personnel employed by industry went from 15.5% to 11.8% and the real wages of the workers went down by 35% (Economic Census 85 of the National Institute of Statistics and Census [INDEC]).

b) Industrial production plummets due to shrinking demand for products for internal consumption, without this being compensated by a growth in the foreign markets. . . . The physical volume of industrial production, taking 1970 as a base 100, grew in 1974 to 122.7 and went back to 100 in 1985, i.e., the level of three decades earlier. The number of industrial establishments fell by 14% in the decade studied, although the regression is greater since the cited census did not deal with the construction industry, where the decline has been sharpest.

c) In inverse proportion, one can observe the growth of unemployment, "self-employment," and street vendors, in those sectors of the population whose margin of the consumer

market is below the poverty line. In 1974, 18.8% of the economically active population, about 1.5 million persons, worked for themselves, a number that went up to 2.5 million in 1985, or 25%. On the other hand, the State employs about 2 million persons, covering up real unemployment, in a market in which the least productive areas occupy a substantial part of the workforce.

d) In this situation, the capitalist sectors and those of a higher socio-economic level turn their resources toward domestic financial speculation, or to inactive deposits abroad, taking monetary support away from productive activity.

e) The cited events determine a reduction of the Gross National Product which weighs more heavily on the wage-earning than on the capitalist sector, resulting in a relative transfer from the former to the latter in distribution of national wealth.

These policies have operated in the social field, increasing the proportion of population which has no access to dignified living conditions. To study its quantitative repercussions, the technicians—who strip everything of its emotional connotations—have designated the dramatic picture of misery as “unsatisfied basic needs (UBN),” or, in other cases, as “high socio-economic risk.” In this sense, an official reform of the INDEC worked out on the basis of data of the 1980 Census (*Poverty in Argentina*, 1984), estimated that some 7.6 million inhabitants, constituting 28% of Argentina’s population, fail to have their basic needs satisfied. These persons form part of 1,586,000 households, corresponding to more than 22% of the Argentine households.

It must be pointed out that to distinguish the households according to satisfaction of their basic needs, essentially social-type qualitative parameters were taken into account, such as: crowding (more than three people per dwelling), unfit housing (tenements, shantytowns, etc.), inadequate sanitary conditions (without toilets, no potable water), school-age children who do not attend school, or low percentage of members of the household who have income. . . .

The influence on health

To observe how the cited facts influence the health of the inhabitants, we can analyze the risk of death to children under one year of age. The infant mortality rate is an indication of health directly influenced by the population’s social status, since during the first year of life, in which the child’s dependency is absolute, his survival is more intimately linked to environmental conditions. Of course, the nutritional factor is determinant in the degree of vulnerability of these children. If they are in inadequate nutritional conditions, they will succumb easily to infectious and parasitical diseases which in another situation, they could resist. Hence it is useful to compare the weight which infectious, parasitical, and nutritional diseases have as a cause of death within the Argentine infant mortality rate and that of three countries frequently taken as a reference (according to data from the Statistical Annual of the WHO).

As **Table 1** shows, the difference of the percentages of deaths caused by infections, parasitosis, and malnutrition, seen between the two industrialized countries and the two developing countries presented here, is enormous, and reveals a clearly different sanitation and nutrition profile.

Now let us go back to the beginning of the story. To remedy this situation, Argentina should expand its domestic market by increasing jobs, improving the buying power of wages, and encouraging investments in the most productive areas . . . but this will compete with foreign obligations. To obtain genuine foreign resources, Argentina is supposed to place its exportable surplus, both industrial and agricultural, in foreign markets. But industrial products have trouble competing with those of the industrialized countries, which rely on more advanced technologies and lower costs. In turn, agricultural products run up against the customs barriers put up by the industrialized countries and the subsidies which their governments grant to native producers whose costs are greater than ours, as happens to us with the European Economic Community. To get the wheels of production turning in general, we would need foreign capital, but its flow to these lands is conditioned by the refinancing of pending debts, since the United States, for example, raises its interest rates to wipe out its own fiscal deficit.

. . . And this vicious circle not only affects Argentina which—as we said—has a relatively privileged situation, but also many other developing countries whose potential for dealing with emergency is even less.

The finale of the “satanic” version of this story could be more or less as follows:

. . . The world leaders, worried about the situation of hunger and misery which large sections of the population was suffering, consulted the authoritative opinion of Dr. No who, with his implacable pragmatism, advised, “Let us do it at the least possible cost; to eliminate poverty let us exterminate the poor.” Immediately the sensible voices of the world were raised, in indignant defense of human rights: “Genocide! Fascist!” Common sense had triumphed. . . .

Table 1
Rates of infant mortality
(deaths per thousand)

Countries/years	Infant mortality	% deaths by infection, parasitosis, & malnutrition
Argentina 1979	35.6	29.8
Chile 1977	47.5	46.6
U.S.A. 1977	1	9.8
Sweden 1978	7.8	8.9

The Soviets enter the oil price war

by Chris White

Russia re-entered world oil markets as a seller the second week of April for the first time in three months. The Russian move was prompted by the first signals from Washington that the Reagan administration may be considering an alternative policy to Donald Regan's "free market, free market, free market," to avert the negative consequences of the approximately 60% reduction in the price of oil. That collapse has sent tremors through the U.S. banking system.

Speculation on this question was first aroused as Vice-President George Bush prepared to leave for his visit to Saudi Arabia and the Gulf. Bush had told reporters that he was going to discuss "stability" of the oil market with his Saudi Arabian hosts.

Bush's remarks at the time prompted an uptick in the price of oil, buoyed by the rare administration assertion of the relationship between national security and economic policy.

On the other side, there was a chorus of anguish from the pro-Soviet lobby, who also happen to be the most vociferous of the opponents of the only means available to stabilize the oil market, the imposition of what economist Lyndon LaRouche has called an "oil import parity tariff," triggered when world price levels fall below \$20 per barrel.

The voice of Russia's allies in the United States, the *Washington Post*, devoted its lead editorial on April 6 to an "explanation" of why the administration's "free marketeers are right" in opposing a tax or fee on imported oil. Despite the fact that "a sense of real desperation is spreading among the [U.S.] producers about the oil price decline," the *Post* says an import fee wouldn't work, because there would have to be so many exceptions made for countries like Canada, Mexico, and Venezuela.

"If prices remain down in the present range for long, American oil production will certainly be hurt. . . . Unfortunately, there isn't much that the federal government can do about that. The oil industry seems to have entered a period of radical instability." The paper's editors recommend a "minor but helpful interim remedy"—continuing buying oil for the Strategic Petroleum Reserve.

Bush's remarks were subsequently backed up by the Pres-

ident in his televised press conference April 9.

Perhaps not so coincidentally, a strike by Norwegian catering workers shut down the entire output of Norway's North Sea fields, more than 900,000 barrels per day. Norway, one of the non-OPEC producers whose agreement is needed to stabilize prices, had entered negotiations with the Saudis on the terms that such stabilization could occur. The strikers, unusually funded by bank loans and other kinds of support, reported that they could stay off the job for two months at least. The near million barrels taken out of production, it was thought, might keep the price in the \$11-13 dollar range long enough to let negotiations proceed.

Then, the Russians moved. Crude oil prices resumed their fall after a five-day pause on April 10 on news that Moscow has begun selling oil on world markets under "net-back" term contracts rather than dumping onto spot or futures markets. According to trading sources, the Moscow move is expected to more than offset the removal of 900,000 barrels per day from Norway due to the labor dispute. This Soviet intervention demonstrates that the oil price situation, and its potential sequelae, are indeed a national security matter.

Though Russia had cooperated with British interests up through the end of last year in bringing the spot price of oil below the \$30 a barrel mark, as this magazine reported and the government of Venezuela charged, Russia kept out of the market this year.

While staying out of the markets the Russians kept up a barrage of articles blaming imperialist and U.S. circles for organizing the collapse in the commodity's price. This propaganda permitted those with short memories to argue that Russia's principal concern was the loss of their hard currency earnings. Therefore, it was stated that the oil price drop would further weaken the domestic Soviet economy.

Typical of this is a study released April 1 by the U.N. Economic Commission for Europe, which calculates that Soviet hard currency earnings in 1986 will fall by 17 to 22% on the assumption that world oil prices stabilize at between \$15 and \$20. The report claims that 80% of Soviet hard-currency earnings derive from oil and gas export to the West, and that the sharp drop in these earnings, which began to appear in the third quarter of 1985, will make financing of Five-Year Plan technology and machinery imports to Soviet industry more problematic. According to the report, the Russians will either have to turn to the West for finance, or abandon Gorbachov's ambitious military build-up plan.

The April intervention shows such thinking as the nonsense it actually is. It shows equally that it's not enough to keep options open for a later move. Policy statements, and rigged strikes, may help buy time. But it's not time that's needed. It's a new policy. The oil parity tariff is the only way to stabilize financial institutions, and begin to shift national economic policy back in favor of the producers. Otherwise, the Russian moves indicate that they will now proceed to exploit the accumulated vulnerabilities built up under Donald Regan's policies.

The myth of the seventh power

True, Brazil is "different" from its neighbors—in the staggering magnitude of national hunger and disease.

In the same way as U.S. Federal Reserve chief Paul Volcker, James Baker III, and other members of the "Eastern Establishment" invented the myth of the U.S. economic recovery, their imitators in Brazil have staged the farce that Brazil is the *seventh world power*.

Frequently heard among those high circles of finance and policy, who have rejected Peruvian President Alan García's proposal to lower interest payments on debt and finish off the International Monetary Fund's usury, has been the following sophistry: "Well, Peru is a small country, we are different, we're a big country . . . the seventh world power." The fearful reality is that in Brazil, want and misery, in terms of numbers of population, for example in the region of the northwest and in the *favelas* (slums), are at least double Peru's. Let us look at some aspects of poverty in Brazil.

Brazil holds the seventh place in the world in infant mortality, caused by malnutrition, diarrhea, and infectious diseases. Statistics released in 1985 estimated that in this year alone, 360,000 children will "inevitably" die before the age of five; 300,000 of them before the age of one. In the northwest region, 40% of infant deaths are caused by diarrhea and malnutrition. The number of minors among those who "live" in absolute poverty, and the abandoned, is 30 million—twice the population of Peru.

In the first three months of 1986 there was an upsurge in poliomyelitis: 160 cases, of which 124 were reported in the northwest. In the same period

last year, a total of 25 cases was reported. The director of the National Superintendancy of Public Health Campaigns, Joselio Carvalho Branco, told the newspaper *O Globo*: "I recognize that we are losing the battle against the major endemic diseases."

"The means exist to control diseases such as polio and measles, but we have to realize that the very bad living conditions of the population are reflected in the capacity of the sector to carry out its functions," added a health ministry epidemiologist.

Outbreaks of hepatitis are also on the rise. In Fortaleza 15 cases were reported, and 17 in Itabuna, one of the two most important cities of the state of Bahia, where 8 persons died; the epidemic spread to at least two other important towns.

Health Minister Roberto Santos stated on April 7 that malaria is rising precipitously and now affects 400,000 persons, against the 200,000 at the outset of this decade; the disease, he said, is not limited to the Amazon region but extends to other states. The rise in malaria cases coincides exactly with the period when the Brazilian economy was subjected to International Monetary Fund control.

As to reported AIDS cases, Brazil has the world's second highest rate of increase, after the United States, and due to this rate of spread there perhaps are more than 1,000 cases. This is only an estimate, since accurate information is not available.

Under the export model of the country that boasts of being the "sev-

enth power," Brazil has turned into a huge exporter of food, which has not been made up for by new crops for internal consumption. For example, per-capita production of rice, beans, potatoes, and maize dropped by 12% between 1980 and 1984, while the population rose from 129 million to 133 million.

A recent study on hunger indicates that 90 million Brazilians consume less than the necessary caloric intake (2,400 per day). The 22 million poorest people have a deficit of more than 400 calories; 24 million have a daily deficit of 200 calories, and another 40 million have a deficit between 200 and 400.

A study just completed by a group of sociologists indicates that one-third of Brazilian families lives in conditions of absolute misery, and an additional one-fourth in poverty. Hence, more than 60% of the population lives in poverty or absolute misery; here Brazil is not in seventh place, but in *first*.

Brazil also holds the first place in the world in the concentration of national income in its population. While 10% of the citizenry, the richest sector, holds 50% of all the national income, 10% of Brazilians, the poorest, only possesses 2% of the national income.

And yet, Brazil is committed to go on paying almost \$12 billion in interest on the foreign debt, i.e., half of its export revenues. As had to be recognized, even by Treasury Minister Dilson Funaro, last year, annual interest payments "are the equivalent of an Itaipú" (the world's largest dam, on the Brazil-Uruguay border). But his Cruzado Plan, a financial scheme which respects the International Monetary Fund's rules, has no intention of putting a freeze on deaths from hunger or epidemics.

Foreign creditors get squeamish

The Fed can lower interest rates, but it can no longer convince European and Japanese investors to join in the fun.

Salomon Brothers released two research reports March 27 which reflect a turning-point in America's capacity to finance a \$150 billion per annum payments deficit. The first, by analyst Richard Segal, took note of the sudden, recent emergence of a nearly 1% spread between the interest rates for U.S. government securities, and comparable-maturity Eurobonds (U.S. corporate bonds issued abroad). The second, by Vilas Gadkari, recommended that Japanese investors switch to non-dollar paper.

In plain language, the Fed and Treasury have shoveled money into the banking system, while instructing the banks to postpone reckoning with bad loans, in order to keep the banking system afloat, while, at the same time, persuading foreign investors to consume \$150 billion a year in U.S. dollar paper. America's foreign creditors are getting squeamish. When they begin to cut their losses, interest rates will trace a "J" on the graphs.

Historically, American corporate Eurobonds bore slightly lower interest rates than Treasury securities, despite the greater safety of the latter, for a simple reason: Foreign buyers may purchase corporate paper anonymously. Eurobonds are "bearer bonds," payable to whatever Swiss trust account holds them. The Treasury registers the names of purchasers.

Since the bulk of real, investible cash in the international markets derives from roughly \$500 billion a year in flight capital, narcotics revenues, and similar illicit or semi-licit funds,

Eurobonds bore a premium for simple anonymity.

However, as analyst Segal noted, "The yield differential between high-quality Eurodollar bonds and U.S. Treasuries is at its widest level in three years, as a result of a strong rally in the Treasury market, the continued weakness of the U.S. dollar, and heavy new-issue volume in the Eurodollar market.

"Spreads of U.S. corporate Eurodollar issues to Treasuries are especially wide, reflecting uncertainties about the stability of credit ratings. In the case of some corporations, these uncertainties stem partly from increases in debt leverage due to takeover and leveraged buyout activity, plus concern about the effect of falling oil prices on energy company profitability."

Three years ago, Continental Illinois was on the ropes, Brazil was still in confrontation with the International Monetary Fund, and money rushed into Treasury securities as a refuge against the expectation of a banking crisis. As Segal points out, comparable conditions have re-emerged for the first time since then.

The Fed can stage a Treasury bond rally by depressing short-term interest rates, and the federal funds (overnight interbank lending) rate has fallen from about 7.4% in the week ended April 2, to between 6 and 6¾%. However, it cannot convince European and Japanese money to join the fun.

The Japanese have been investing \$50 billion per annum of their trade

surplus in the United States, becoming the largest single funder of the American payments deficit. But now, another Salomon report warned, "Japanese investors currently face a dilemma: In seeking high current income, they have concentrated their foreign security purchases in U.S. dollar-denominated assets, which represented 86% of Japanese net purchase of foreign currency bonds in 1985. However, the . . . sharp drop in the value of the U.S. dollar has resulted in a large decline in the yen value of these securities. Under these circumstances, Japanese investors should now reassess their portfolio strategy to consider the high-yield opportunities that exist in non-U.S. dollar markets."

Squeamishness about U.S. corporate paper reflects the accumulating horror abroad after a three-year binge of mergers, acquisitions, and other forms of bidding-up existing corporate assets. Two months before the unfavorable "spread" between Eurobonds and Treasuries appeared, *Eurromoney* magazine warned, "If denunciations could have put a stop to leveraged buyouts, there would be none today. In the summer of 1984, the LBO was a target for virulent criticism by Paul Volcker, chairman of the Fed, and [others]. . . . The gist of all the denunciations was that top-heavy reversed pyramids of debt were being created; and they would soon come crashing down, destroying assets and jobs. . . ."

"But the growth of public deals has been astonishing. . . . According to data provided by Merrill Lynch Capital Markets, in the eleven and a half months to mid-December 1985, a record \$31.5 billion of LBOs were completed: double the volume of a year earlier and three times that of 1983."

The only surprise is that it has taken this long for America's foreign creditors to grow leery.

Kirkland could get 'LaRouched'

The AFL-CIO has launched a risky campaign against the presidential contender and the candidates who back him.

The April 5 issue of the *AFL-CIO News*, the weekly newspaper for the federation, is taken up almost entirely by an unprecedented, wild-eyed slander of Lyndon LaRouche, the only declared 1988 U.S. presidential candidate. "Lyndon LaRouche's Nightmare World," is the lead story, followed by a page-three article on the Schiller Institute, a think-tank founded by LaRouche's wife, Helga Zepp-LaRouche. In the same issue, there is a defamatory political cartoon, on the editorial page. The entire back page is a memo from COPE, the AFL-CIO's Committee on Political Education, titled "Best Antidote for LaRouchism: Exposure."

The labor federation has apparently decided to put its entire political capital on the line, to try to stop what it calls the "dangerous" LaRouche and his movement of candidates for political office, two of whom captured the Democratic nomination for Illinois secretary of state and lieutenant-governor in the March 18 primary. While thus slandering LaRouche, the AFL-CIO has deployed its top leadership into Democratic Party meetings around the nation, to slander and harass LaRouche candidates. Not in many years has the AFL-CIO put so much muscle into a single operation.

The first open attack on a LaRouche-backed candidate occurred on April 5, when Iowa State AFL-CIO Secretary Treasurer Mark L. Rich publicly slandered LaRouche associate Juan Cortez, Democratic candidate for U.S. Senate, in front of a Democratic county convention in Des

Moines. Cortez is a member of the Democratic Party's National Committee, a former official of the AFSCME union, and current president of the Cedar Rapids chapter of the A. Philip Randolph Institute, the national black trade-union organization.

Rich called Cortez an "anti-Semite" and a "neo-Nazi," and attempted to lead a walkout from the room when Cortez rose to answer his slanders and deliver his speech. The walkout was only partially successful. Many people knew Cortez well and disregarded Rich.

Many of the close to 1,000 candidates running on a LaRouche-authored platform in national and state campaigns this year, are members and/or officials of trade unions. They have issued an "Open Letter to American Labor," responding to the AFL-CIO's charges. It reads in part:

"Why is the AFL-CIO devoting so much time and money and trying so hard to destroy LaRouche and his associates? Because LaRouche's associates in Illinois won the votes of working men and women, farmers, the unemployed, and minorities, who are fed up with the leadership of the AFL-CIO and the Democratic Party and their consistent failure to solve the real problems that are besetting our nation and its people. When LaRouche puts forth solutions to the depression; when LaRouche calls the 'recovery' a hoax; when LaRouche calls for AIDS victims to be quarantined; when LaRouche says the international drug trade is an organized war against our

children—people agree, and they vote for his policies. That is what the AFL-CIO fears, because Lane Kirkland and his cronies are part of the Eastern Establishment crowd in the Trilateral Commission and Council on Foreign Relations who created this depression.

"Kirkland says it was a 'mix of demagoguery, prejudice and voter apathy [that] demolished the Democratic Party's statewide ticket' in Illinois. When the majority votes against the chosen candidates of the establishment, all of a sudden, Kirkland thinks the majority is stupid and racist.

"As candidates for public office who have devoted our lives to the trade union movement, we have found in Lyndon LaRouche's leadership the courageous fighting quality that the trade unions have lost under men like Kirkland. We will not be intimidated by such petty tyrannical tactics. And we trust that you, sisters and brothers in this fight, will join us at the polls, on the job and off, in organizing to take this country back from the dope-pushers, the Trilateral Commission, and their judasses in the labor movement."

Signers include Cortez and Henry "Hank" Wilson, United Auto Workers Local 600 General Council delegate, and a current Executive Council member and former president of the Dearborn Assembly Plant's UAW Local. Wilson was the victim of a physical assault last year by UAW goons, who jumped him at a Local 600 meeting in Detroit when he attempted to discuss LaRouche's policies with fellow members.

The AFL-CIO's Murray Seegar announced at a jam-packed National Press Club address by LaRouche on April 9, "I don't think LaRouche can stand exposure." An organization losing members as fast as the AFL-CIO should probably be more cautious in blowing its wad.

Business Briefs

Labor

Peruvian government works to settle strikes

The 17,000 mining and metallurgical workers of Peru returned to work on April 7 in Lima, Pasco, Junin, and Ica, after a 40-day strike. They accepted the arrangement negotiated by the new leadership of their union, headed by Secretary-General Marcial Zuniga Vásquez. No details on the contract are yet available. The union has been under heavy pressure from the Shining Path terrorist group, which earlier murdered moderate union leaders after those leaders had worked out a contract to end the strike.

Meanwhile, 12,000 sugar-cooperative workers in northern Peru suspended their strike after holding talks with Agricultural Minister Remigio Morales Bermúdez and Finance Minister Alva Castro.

The minister of agriculture promised to provide a subsidy to the industry, but only if the subsidy is used to enhance production and not to create more bureaucracy. He also promised that the price of sugar and rice would remain fixed, for now.

Doctors in Peru are continuing their indefinite strike—although still giving services in the hospitals. The doctors association is demanding wage hikes similar to that received by judicial workers and magistry.

Agriculture

German farmers call for emergency program

At an unruly meeting of 700 angry farmers in Bonn on April 9, the head of the German Farmers' Association, Constantin Freiherr Heereman von Zuydtwyck, called for a "national emergency program" to aid German farmers, including debt relief, according to the London *Financial Times*.

The situation in German agriculture is grim: German agricultural prices have consistently declined during the past year, and

in 1986 farm income is supposed to fall another 12-15% on average, in some regions, by 30-50%.

European farm export markets are being severely hurt by the combined impact of the dollar fall and U.S. export subsidies under the new Food Security Act, designed largely by grain cartel interests under U.S. Department of Agriculture free-marketeer and Cargill man, Daniel Amstutz.

Due to those policies, many fear that open trade war between the United States and the European Community is now looming. The United States has demanded that limitations on U.S. exports to the new EC-member countries Spain and Portugal be lifted. The EC characterized the tone of the U.S. ultimatum as "unnecessarily aggressive."

International Trade

Swedish industry looks to the East

A delegation of 70 leading Swedish companies will go to Moscow on April 12, headed by new Prime Minister Ingvar Carlsson, it was announced on April 9 in Stockholm.

The delegation will be led by Wallenberg/Gyllenhammer group companies, among them Nobel Industries, the giant weapons conglomerate now under investigation for illegal weapons smuggling to Iran; Axel Johnson & Co., praised by the Soviet magazine *International Affairs* in January as the "first Western firm" to do business with the new Bolshevik government in 1919; and Alfa Laval, "veteran of Soviet trade since the 1920s."

On the same day, the Swedish press announced that a delegation of Swedish companies, headed by SIAB, a large construction conglomerate, will travel to East Germany as part of a series of "exchanges." According to the reports, part of the exchange with East Germany will include an unprecedented visit by East German President Erich Honecker to Sweden, expected in the summer.

Defense

Packard sets new attack on Pentagon

The second part of the Packard Commission report was released on April 7. It demands that the Pentagon cut in half the time it takes to develop and field new weapons by emulating the practices of private industry. Moreover, the 165,000 employees of the DoD involved in research, acquisition, and logistics should be reduced by 10-20%.

Chairman David Packard said that the Pentagon should reduce the lead-time for weapons R&D from 8-12 years to 4-6, and that such a schedule had in fact been maintained for programs such as the cruise and Minuteman missiles. If Congress and private industry are willing to work together, "You're talking about savings in the tens of billions range."

President Reagan and Defense Secretary Caspar Weinberger have already announced their intentions to implement the Commission's first report, which recommended reorganizing the Joint Chiefs of Staff, among other things. There has been no reaction yet from the administration to the latest installment.

Austerity

New phase of 'Austral Plan' in Argentina

Argentina's "Austral Plan," adopted in June 1985, is now going into its second phase.

The plan, portrayed by President Raúl Alfonsín as the "last chance" to save the nation, is actually an orthodox monetarist program dictated by the International Monetary Fund as a conditional for Argentina receiving new credits from the international financial community. When the plan was initiated, the government imposed a price and wage freeze accompanied by drastic cuts in public spending.

On April 5, Argentina eased away from its price and wage freeze following a 3.75% devaluation of the currency and an across

Briefly

● **A JAPANESE** advisory council reported in early April to Prime Minister Yushiro Nakasone, calling for sweeping changes in Japan's economy to diffuse world criticism of its spiraling trade surplus. The committee suggested that it was critical that Japan reduce its trade surplus and recommended changes in tax and housing policies to wean the economy off dependence on exports for growth.

● **THE IMF**, unlike the U.S. State Department, the President's Office, and all other federal agencies, continues to refuse to permit *EIR* correspondents to attend briefings on its activities. On April 8, an *EIR* representative in Washington for an IMF press conference was refused entry, and told: "We don't recognize *EIR* as media."

● **MOBIL OIL** issued a statement on April 4 emphasizing its opposition to disinvestment schemes against South Africa, and announced it is setting up an \$18 million foundation, with two separate trusts: one for the improvement of black education, and the other for small business and rural development.

● **WEST GERMAN** Engineering Industry Association spokesman Peter Jungen warned in Munich in early April that the free fall in oil prices will "drastically" affect West German plant exports to OPEC countries. Jungen pointed to a sharp 7% February decline for new orders for construction equipment and building materials compared with February 1985.

● **NASA**, hoping to boost support for a new shuttle and a mixed fleet of unmanned rockets, may agree to stop launching commercial satellites altogether, according to administration sources. Many senior officials consider it unrealistic to expect private industry to be able to take on responsibility for all commercial and foreign government satellites, and warn that the plan may backfire, ruining the U.S. commercial rocket launching industry.

the board hike in public utility rates. Electricity rates jumped 6% while gas went up 8%. Other utility rates were increased by 5%.

The wage freeze that permitted most workers only a 5% raise in nine months was lifted. But ceilings were put on wage raises for the remainder of 1986—25% for private industry and 21% for state workers.

Under the new currency rates, \$1.00 will be worth 83 centavos, compared with the earlier rate of 80 centavos.

The Argentine economy is also being severely affected by the international collapse of oil prices. According to the Argentine newspaper *La Nación* of April 2, the state-owned oil company, YPF, has approximately \$1 billion in unpaid bills, owed to its suppliers and contractors. The government recently announced an increase in the national gasoline price, which is expected to offset the international price collapse.

YPF's creditors are preparing legal action against the company because of unpaid bills, although no action has been taken yet. YPF is promising to pay debts contracted after Jan. 31 of this year within 30 days.

Simultaneously, the World Bank is sending a delegation to Argentina to sign an agreement for a \$400 million investment in drilling new oil wells, to increase production.

Oil Crisis

Texas governor warns of need for protection

Texas Democratic Gov. Mark White went on national television on April 6 to warn of the disaster that will result if the United States doesn't take steps to protect its domestic oil industry.

Repeatedly emphasizing the national security aspects of the oil situation, White pointed out, during an appearance on NBC's "Meet the Press," that the U.S. military is the largest consumer of oil. "What do you think F-16s fly on?" he asked. "If you don't protect the domestic industry, you will turn [the military] to scrap. That's not what our foreign policy should be."

White criticized Vice-President George

Bush for going to the Mideast "on bended knee. We should protect our own oil supply. We are setting a policy that cuts off [America's] ability to have a domestic oil supply." Asked if he favored out-of-state banks taking over Texas's troubled financial institutions, White replied that the banks wouldn't be in trouble if the root problem—the drop in oil prices—were solved, through an tariff on imported oil.

White said that the price of oil "should be exactly enough to prevent closing the stripper wells," approximately \$15 per barrel. *EIR* founder LaRouche has proposed a parity price, allowing for new investment, of at least \$20 per barrel.

Free Enterprise

U.S. may sell uranium enrichment plants

Senator Wendell Ford (D-Ky.) said on April 4 that he had been informed by the U.S. Department of Energy that it intends to sell its uranium enrichment plants in Paducah and Portsmouth, Ohio, UPI reports.

Ford called this decision to "privatize" the uranium enrichment industry "as wrong-headed as they come," stating that it would be putting up for sale a key component of U.S. defense, since the plants produce uranium that is used in nuclear warheads.

"Why quibble with the Russians about missile numbers when you are willing to put American nuclear know-how up for the highest bidder?" Ford asked. "This administration has saddled our children and their children with a \$1 trillion debt. . . . Once again, the administration is attacking its uncontrolled problem of self-generated debt with a quick-buck approach. . . . This time it wants to sell a taxpayers' investment that is self-sufficient. . . . It is bad economics and bad public policy and has all the earmarks of not being thought through.

"And when you put the nuclear aspects of the U.S. energy program on the auction block, you are inviting the world—enemy as well as friend—to bid on vital U.S. defense technology," Ford stated.

Trailmaster: a new driver for fusion and x-ray lasers

Charles B. Stevens reports on the inexpensive and versatile new system under development at Los Alamos National Laboratory.

Los Alamos National Laboratory announced in early 1986 that the first stage of its Trailmaster electrical pulsed-power program had been successfully completed. According to the Trailmaster program manager, Dr. Charles Fenstermacher, this new technology represents a quantum jump in pulsed-power technology and will provide an extremely economical, quickly assembled, and highly versatile means of experimentally exploring a wide range of high-energy-dense processes, such as ignition of thermonuclear fusion reactions, creation of laboratory x-ray lasers, and laboratory-scale simulation of nuclear weapons effects.

Currently, high-energy, pulsed-power systems, such as the 100-trillion-watt Particle Beam Fusion Accelerator II (PBFA-II) light ion facility at Sandia National Laboratories and the 100-trillion-watt Nova laser fusion facility at Lawrence Livermore National Laboratory, cost from \$50 to \$170 million and take many years to design and construct. Trailmasters, specifically tailored to explore a particular high-energy-density regime, could be designed and built in a few months at a cost of a few tens of thousands of dollars per experiment.

The Trailmaster converts the cheap energy of chemical explosives into compressed, high-power pulses of electrical energy. The key to the system is an electrical circuit "opening switch," which makes it possible to compress an electrical current as much as 500-fold in time and space. In this way a billion-watt electric pulse can be amplified to a 100-trillion-watt power level. The electric pulse can then be tailored to drive myriad types of high-power devices, such as x-ray lasers and nuclear fusion reactors.

The switching science and technology being developed at Los Alamos, however, is applicable to a wide range of other pulsed-power systems. For example, the Trailmaster switching technology could be utilized in more conventional capacitor bank systems to vastly improve the range of high

energy accessible to university laboratory facilities working on fusion plasmas, particle accelerators, and lasers. In other words, the Trailmaster program could lead to a general revolution in pulsed-power and high-energy R&D.

The technology of high energy density

Throughout history, high energy density has determined the frontiers of science and economic progress. The higher energy density of steam engines provided the means for reaping the bounty of deep-lying coal and mineral deposits and harnessing of metal-forming machines. And in this century, high energy density has unlocked the limitless energy potentials of the atomic nucleus.

In recent decades, the quest to realize thermonuclear fusion reactions has led to the exploration of plasmas. Plasmas represent a fourth state of matter—solid, liquid, and gas being the first three. When matter is raised to a sufficiently high temperature, its atoms break up into negatively charged electrons and positively charged ions. Because these constituents are electrically charged—unlike the relatively neutral atoms of an ordinary gas—plasmas are dominated by electric forces and the magnetic fields generated by the relative motion of charged particles.

Actually, the conventional states of matter found within the Earth's biosphere are quite rare in the cosmos at large. Most matter in the universe is in the plasma state, like that of the Sun and other stars.

Plasmas and switches

In the quest for higher energy densities, the plasma state offers virtually unlimited possibilities. The reason is that plasmas are held together by macroscopic electric and magnetic fields, while ordinary matter is characterized by limited chemical bonds. Intense electric and magnetic fields that would destroy the chemical bonds—and therefore integri-

ty—of ordinary materials can improve the integrity of plasma configurations.

Besides withstanding much larger concentrations of energy, such as intense electric currents, plasmas can also be rapidly transformed into entirely new types of configurations. For example, a plasma can proceed from a state in which it offers virtually no resistance to the flow of electricity, to one in which it suddenly becomes highly resistive.

The plasma focus research of Dr. Winston Bostick of the Stevens Institute of Technology in New Jersey provides an example. In the plasma focus device, large electrical currents are transported between two metal electrodes, via a series of spiral plasmas. The spiral plasmas, or plasma vortices, look like strings and are nested together to form a conducting surface between the metal electrodes. The microstructure of these strings is force free. That is, while extremely large electric currents are flowing through the plasma, and, therefore, large magnetic fields are present together with substantial fluid motion of the plasma itself, all of these different forces or "energy flows" line up in parallel spirals so that they do not interact.

This so-called Beltrami-type, force-free plasma configuration is quite similar in geometry to that seen in some superconductors, with the distinction that the plasma must be sustained at millions of degrees Celsius and the superconductor at near absolute zero temperatures. In both cases the force-free Beltrami configuration permits the conduction of electric currents with virtually no resistance.

Under the right boundary conditions, however—such as too high a level of electric current or change in the macroscopic geometry of the plasma vortex sheet—the individual vortices will unravel over extremely short time spans, lasting as little as a billionth of a second. The process is like that of a laser. The unraveling of one vortex can set off the destruction of another, and a chain reaction conflagration results.

With the sudden disappearance of the plasma channels that carried the electric current, the current flow between the two metal electrodes is rudely interrupted. The result is quite similar to that found when one attempts to stop an ocean wave with a simple vertical wall. Upon reaching the wall,

the wave will compress and grow greatly in amplitude, concentrating its energy in the process. Similarly, with the disruption of the plasma vortex channels, the electric current pulse will be compressed and grow rapidly in amplitude.

One essential component of the Trailmaster program is to make use of such plasma switches to compress electrical currents many hundred times.

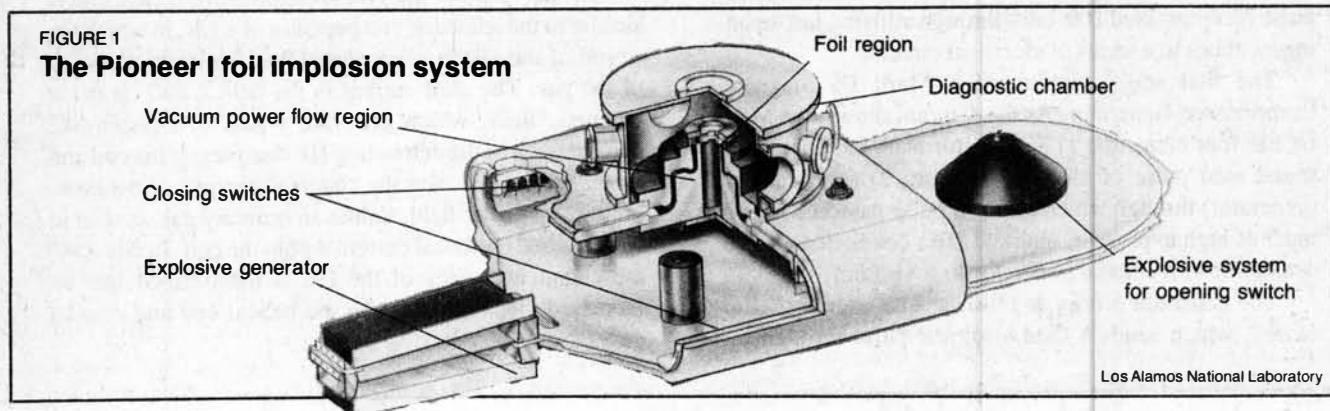
The Trailmaster configuration

Figure 1 shows the experimental setup of the Trailmaster and Figure 2 shows a circuit diagram. The process begins by storing an ordinary power level current pulse in the magnetic coil. Chemical explosives surrounding this coil and carefully configured into implosion lenses are then detonated. The implosion lenses compress the coil and its magnetic field. The degree of energy densification is simply given by the volume compression achieved.

This implosion process compresses the electric current that is generating the magnetic field in the coil, and in the process converts the explosive energy into electric energy. The result is a surge of current—a current pulse in the shape of a wave. By opening a switch at the appropriate time, this current surge can be transferred to a new electric circuit. And by properly tuning the elements of the two circuits and having a sufficiently fast opening switch, the current surge can be compressed, in the same manner as an ocean wave hitting a wall.

The dynamics of the chemical explosion and the geometry of the coil configuration limit the speed of compression that can be achieved in this manner. The time-scale characteristic of an efficient conversion of explosive chemical energy to electric current is on the order of 250 microseconds, about one-quarter of a thousandth of a second. The switching out of this current surge into a second circuit provides the means of further compressing the current to a pulse lasting about 500 nanoseconds (1 nanosecond is 1 billionth of a second)—about a 500-fold compression or power amplification.

The final current surge and its wave form—literally, the geometry of the wave—are essential parameters in the end



use of the Trailmaster output. Because these characteristics can be readily adjusted by changes in the circuit tuning match-up, the Trailmaster makes an extremely versatile energy driver for a wide variety of devices.

In its most simple form, the Trailmaster could be utilized to produce intense bursts of x-rays. This is accomplished by a second implosion process. The current is passed through a small cylinder made from a thin metal foil. The huge current rapidly transforms the foil into a cylinder of plasma. The intense magnetic fields generated by the current simultaneously exert an inward force on the foil plasma, which leads to its rapid implosion. Because the final compressed metal plasma reaches high densities when the foil implosion arrives at the axis of the cylinder, most of the kinetic energy of the foil implosion and magnetic energy is converted into heating the foil plasma to extremely high temperatures.

The result is a powerful, concentrated burst of x-rays produced by the hot, dense metal plasma. This x-ray source can be utilized to create the conditions for powerful x-ray lasers or for ignition of thermonuclear fusion reactions. The x-rays can also be used directly to simulate the effects of nuclear weapons. When nuclear weapons detonate, the sud-

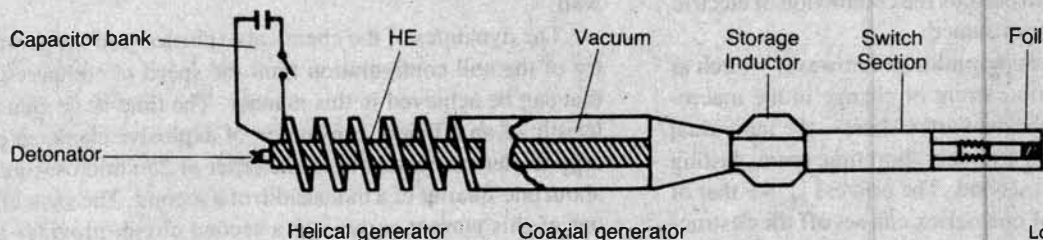
den burst of nuclear energy that they release generates a plasma "fireball," whose chief energy output is in the form of intense x-rays.

When these x-rays irradiate satellites, missiles, or other systems, they generate electric currents along metal surfaces. These currents, in turn, generate electromagnetic waves on the interior of the satellite or rocket. This process is called system-generated electromagnetic pulse (SGEMP) and can easily destroy or, at least, disrupt the internal electronic controls of these satellites and missiles. System-generated electromagnetic pulse is among the most difficult threats to predict and protect against. The Defense Department's Defense Nuclear Agency currently must test satellites and rockets against system-generated electromagnetic pulse with expensive underground nuclear tests that cost from \$10 to \$100 million. Trailmaster would provide a laboratory-scale facility for such tests at costs in the range of tens of thousands of dollars.

The main approach currently being pursued in inertial confinement fusion research, is that of x-ray-driven implosion. Laser pulses are converted into x-rays, which then irradiate a small pellet of fusion fuel. The x-rays are ideal for

FIGURE 2

Schematic of the Trailmaster system



Trailmaster was conceived as a method to convert the cheap chemical energy of high explosives into compressed, high-power electrical pulses. This is achieved in two distinct stages. First, the chemical explosive energy is transformed into a pulse of electric current. Second, this pulse is compressed 100-fold, through utilizing fast-opening switches in a series of electrical circuits.

The first stage consists of a Mark IX Magnetic Compression Generator. As the diagram shows, the Mark IX has four elements: 1) a capacitor bank to generate an initial seed pulse of electrical current; 2) a helical coil (generator) through which the seed pulse passes; 3) a cylinder of high explosive, marked HE, connected with a detonator; 4) a coaxial generator in a vacuum.

The generator works as follows: The open switch is closed, which sends a seed electrical pulse through the

helical coil. Simultaneously, the detonator is set off. As a result, the high explosives begin to explode, from right to left in the diagram. This explosion acts as a piston, compressing the helical coil into the coaxial generator.

The net result of this compression of the helical coil is similar to the adiabatic compression of a gas, in which the action of the piston is converted into the internal energy of the gas. The seed current in the helical coil creates a magnetic field, which acts like a gas. The piston-like compression of the detonating HE compresses the coil and its magnetic field. But the "internal energy" of the compressed magnetic field, unlike an ordinary gas, is seen in an increased electrical current within the coil. In this way, the chemical energy of the HE is transformed into an increased electric current in the helical coil and coaxial generator.

symmetrically and efficiently burning off the outer layer of a fusion fuel pellet. This smooth "ablation" of the target surface leads to precisely the type of even compression, or implosion, of the interior of the fuel pellet to extreme densities needed for high-gain inertial fusion. The Trailmaster x-ray burst provides a much cheaper means of producing the same type of smooth pellet implosions, without the need for an expensive laser.

Nonlinear waveforms

These immediate applications of Trailmaster are only the beginning. The Trailmaster converts an acoustic shock wave, generated by the chemical explosive lens, into an electric pulse in a coil. The shape and parameters of the electric pulse can be tuned by both the circuit and the explosive lens design. The geometry and characteristics of the resulting current waveforms are not just those of a simple sinusoidal wave; a properly tailored waveform should be seen as something like a highly nonlinear soliton, or potential soliton. And just as the change in current in a plasma focus can lead to a dramatic change in the geometry and electrical properties of plasma vortices, the final Trailmaster current waveform can be tuned

The time-scale for this HE compression process is minimally on the order of one microsecond. This means that the generated current pulse produced by the coaxial generator is at least one microsecond long.

The second stage of the Trailmaster, shown on the right of the diagram, consists of three basic elements: a short-term inductive storage unit; an opening switch section; a cylindrical metal foil.

The microsecond electrical pulse generated by the Mark IX is further compressed more than 100-fold, to an electrical pulse on the order of 10 billionths of a second in this second stage. First the Mark IX output passes into the short-term storage circuit. Then an electrical switch opens and connects this inductive storage circuit to a circuit leading to the cylindrical foil. Because the opening switch opens on a time-scale of billionths of a second, the inductively stored current is released in a pulse lasting billionths of a second.

This energy compression system is analogous to slowly filling a barrel with many buckets of water and then kicking the barrel over the edge.

The passage of the compressed current pulse through the cylindrical foil generates huge magnetic fields which cause the foil cylinder to implode. This self-induced magnetic compression accelerates the foil to hypervelocities. When the sides of the cylinder meet at the central axis, this kinetic energy is transformed into rapid heating of the foil atoms. A high-density, high-temperature plasma results. This in turn generates a powerful burst of x-rays.

to produce significantly different physical regimes in the front end of the machine. For example, the waveform can be tailored to drive specially designed plasma pinches for fusion, or to generate charged particle acceleration, or to tune the x-ray output of specially designed cylindrical foils.

Energy, as such, is not just simply scalar. Its intensity and geometry determine entirely different physical regimes. This can most immediately be seen in the fact that simply irradiating material with long-wavelength infrared electromagnetic radiation does not directly lead to the generation of nuclear transformation, no matter how intense the irradiation, while short-wavelength gamma-ray electromagnetic radiation will induce nuclear transformations in a wide range of materials, at even extremely low levels of irradiation.

Trailmaster provides an economical, readily accessible and versatile means of exploring the widest range of high-energy, energy-dense physical regimes and will vastly expand the existing frontiers of basic science and applied technologies.

Interview: Charles Fenstermacher

The current status of Trailmaster

Dr. Fenstermacher is director of the Los Alamos National Laboratory Trailmaster program. He was interviewed by Charles B. Stevens, director of fusion research for the Fusion Energy Foundation.

Stevens: What are the objectives of the Trailmaster Program, and where does it stand now?

Fenstermacher: The Trailmaster program is an attempt to apply high-explosive-driven flux-compression generators to the problem of converting that high-explosive energy into pulsed power, to drive a foil-initiated plasma implosion to produce an intense x-ray source. The goal of the program is to produce x-ray sources in the megajoule level, within a sub-microsecond time-scale. One of the rationales behind this is that the laboratory enjoys a unique capability in high-explosive-driven flux-compression generators. Once you have demonstrated the feasibility and the performance level of interest using high-explosive generators, then large capacitor banks can be considered for permanent facilities. For example, if we are talking about many megajoules of capacitor banks, the lead time, the construction, and the capital investment are substantial. Currently available high-explosive-driven flux-compression generators can be used to determine the feasibility and explore the limits of the technique. The rationale, therefore, stems from a capability that exists in the lab; the motivation is interest in very intense x-ray sources,

and the program is trying to explore the limits of what can be done using those techniques.

Stevens: Where do you stand now, in terms of going to a megajoule?

Fenstermacher: We have just completed the first five major tests—system integration tests. These tests were not designed to demonstrate output performance in terms of x-rays, but as proof-of-principle or shakedown tests to demonstrate that we could integrate the components that we have developed. These components include the generators, the fast-opening switches at high current, the power flow channel, the foil fabrication and handling, the diagnostics, and the modeling and predictive capability results.

These tests were designed to exercise all of these capabilities and bring them all together to demonstrate proof of principle, and to view them as an enabling test to demonstrate the capability in all of those areas, and to provide some design basis for the next step; and the next step is what we call a prototype megajoule system. Now, that doesn't mean that the next system will operate at a megajoule, it's a prototype for a megajoule system. The next step will probably take us up over an order of magnitude over the first series.

Stevens: Is the first series in the 5-10 kilojoule range?

Fenstermacher: The first series, called the Pioneer I, had five shots, fired in the first nine months of 1985. They ran with current in the 5-10 megaamp range; that's not delivered to a load, but what we've developed in the generator. What was delivered to the load was between 1 and 3 megaamps.

Stevens: At what sort of voltage?

Fenstermacher: The voltage isn't the important thing here. What's important is the power of the energy developed. The x-ray energy produced was about 15 kilojoules. So, that's a proof-of-principle test, an enabling test; it's the first integrated system test to put the diagnostics and the whole kit and caboodle together and demonstrate that we can design, predict the performance, field the experiment, and interpret the result. We got interpretable data on all of the tests, and in general, I can say that the systems we designed performed as expected.

Stevens: What is the chief bottleneck in going to the prototype stage?

Fenstermacher: There are a number of problems. In the prototype stage, we're looking for, say, an order of magnitude increase in energy output. Not that an output of that magnitude will be a record-setter; outputs of this magnitude have been achieved with capacitor banks at the Kirtland Air Force Weapons Lab.

Stevens: Do you mean the Shiva system, for example?

Fenstermacher: Yes, the Shiva Quick-Fire series using capacitor banks. Our program is an attempt to develop proto-

type systems based on high-explosive-driven generators and perhaps different kinds of opening switches. To come back to your question about what the key issues are here: For the next step, generators are in hand, generators have been developed in this laboratory that are fairly capable of developing the energy of interest on the time-scale of interest.

As for switching that energy out, we're taking three approaches. The first candidate is based on fast-acting fuses, and here our laboratory has made very significant advances. Fast fuses have been around probably for 20 years, and the data on them were more or less empirical, in the sense that people developed so-called handbook curves. These show changes of resistivity as a function of energy deposited in the fuse, without the details of the time-history or phase-space trajectory. By phase space, I mean density and temperature,

The Trailmaster program is an attempt to apply high-explosive-driven flux-compression generators to the problem of converting that high-explosive energy into pulsed power, to drive a foil-initiated plasma implosion to produce an intense x-ray source.

or you could translate that into conductivity and time. Researchers had not looked into the detailed trajectory through phase space of a fuse. At this laboratory we had developed more detailed physical models of the fuses, using the equation state of the fuse, examining this a little more closely from a more fundamental standpoint. Based on this work, we are optimistic that we can find a region of phase space in which the fuse can be operated, which will do what's necessary to open up switches on the requisite time-scale.

Stevens: Do you mean something on the order of a 500-fold compression?

Fenstermacher: Now we're looking at—and we're still developing this concept—whether we need one switch or two switches in series. In other words, if we want a compression from 100 microseconds (to use round numbers) down to half a microsecond—a factor of 200—we're not sure we can get that in one stage. Therefore, we're looking at various combinations of two-stage systems, to see if we can accomplish that with two stages with reasonable efficiency. The results of that study are not in yet. That's part of the development tests for this next stage, to look at the characteristics of these switches and how they can be used—either alone or in combination—to get compression of 200.

Of the candidates we have, one is a fuse, another is a high-explosive-driven plasma-compression switch, and the third is a rail-gun switch. We are now characterizing and evaluating each of these components, and we hope to make a selection of the most likely one in the next three to six months or so. Then we'll develop, design, and test that selection, and see if we can put a system together, and start its assembly within this next year. We hope to begin testing late this calendar year, if all goes well.

Stevens: What was the second candidate switch?

Fenstermacher: It's a high-explosive-driven plasma-compression switch, of the sort we used in the Pioneer I series. It's a plasma created by beginning with a very thin aluminum foil, about 2,000 angstroms thick, deposited on teflon. This conducts the generator current initially. Then when the time comes to cut that current off and divert it to another path, high explosives are used to compress the plasma and increase its resistivity an order of magnitude or more to close off that channel. Then another closing switch converts that current to the load. We've used that in planar geometry for the prototype megajoule switch.

Stevens: Is the idea to take a relatively long pulse of current and to compress it?

Fenstermacher: The Pioneer I series developed voltages on the order of 100 kilovolts in the power channel, and if you go up a factor of 10, we're talking about voltages in the 300-500 kilovolt range.

Stevens: Are you looking at a system that would be producing megajoule energies in the range of tens of terawatts?

Fenstermacher: Yes, maybe as high as 100 terawatts. That's what we'd certainly like. But the key here is that it isn't necessarily just the power; it's the power with the energy. In other words, with a laser you might produce 10 terawatts, but that's only a joule or two with ultra-short pulse; that's quite different.

Stevens: The Nova laser at Lawrence Livermore is in the range of 100 terawatts and 100 kilojoules in a nanosecond.

Fenstermacher: We're trying to get a source that would be 10 times bigger than that, without the capital investment, and with completely different characteristics from a laser source. It looks like a blackbody source. It's not a coherent radiation field and it's not directed as a laser.

Stevens: There have been a number of papers from Los Alamos on the possibilities of high-energy-dense fusion—such as in Z-pinch—in using intense particle beams, and so forth. Can you say anything about the potential applications?

Fenstermacher: We know that to drive fusion, we're talking about hundreds of terawatts, and this driver looks like a possibility to get into that range. This isn't being developed

for commercial power generation, and it's not being developed to make toast 50 years from now. It's a single-shot device developed as a research tool, that will enable you to produce excited states of matter that cannot be produced easily by other means or, in fact, may not be able to be produced by other means in the laboratory.

Stevens: Is it possible to use the soft x-ray blackbody background to drive other types of radiation systems, to produce line radiation?

Fenstermacher: This would represent a laboratory-scale research source and you could use it to study fusion applications, basic physics, and possibly to study the pumping of x-ray lasers and spectroscopy, but in and of itself, it's not a device that would be engineered for applications.

Stevens: Is it a much more economical laboratory source than current methods?

Fenstermacher: It could be. For example, if we say we want to build a 20-megajoule or a 50-megajoule capacitor bank, that requires construction of a building, a long lead time, etc. If we started out today to build a large capacitor bank, we probably wouldn't have that on line for two or three years. We couldn't justify it at this point, because we don't have the results in hand. We do have the high-explosive generator, however. The high-explosive generator system—I'm not talking about the whole system, but just the power supply—might cost in the order of somewhere between \$25,000 and \$50,000. That's a lot different from a line item construction for a building, including the long lead time.

However, once we demonstrate this, using the high-explosive generators and the numbers turn out right, then we might say, okay, this is a useful laboratory tool and now we want to up the repetition rate. Let's see if we can replace the high-explosive generator with a capacitor bank. At that time, if one had a strong enough application for it, one could justify the capacitor bank, and say, let's start building a permanent installation as a large-scale source.

Stevens: You mentioned that there had been only apparently empirical sorts of relationships in the fuses. Do you think your studies on fuses in general and opening switches in particular will have an impact generally on the science of pulsed power?

Fenstermacher: Yes, I think that if the potential of fuses is realized, it will open the door for all kinds of power amplifications for pulsed power, including use of slow capacitor banks, for example, to provide high-peak power.

Stevens: So you are indirectly aiding university laboratories?

Fenstermacher: For anybody who wants to really develop high-peak power to transfer energy into a load very fast, this will hold great promise for them to get power amplification from a slow power supply.

Moscow's terrorist spree has an anti-LaRouche slant

by Criton Zoakos

On Sunday, April 6, 1986, the Paris offices of this magazine were bombed with highly professional combination explosive/incendiary bombs. The swift reaction of the Paris fire department prevented the whole building from burning down. The following day, the Paris offices of Reuters news service received a letter from a terrorist group calling itself Black War, claiming the action against *EIR*. Subsequent routine review of files identified "Black War" to be a subsidiary of the most notorious French terrorist organization, Direct Action, which has received considerable protection from the previous French Socialist interior minister, Pierre Joxe.

Direct Action selected the *EIR* offices in Paris for its assault, in order to symbolize its intentions against *EIR*'s founder, 1988 presidential candidate Lyndon H. LaRouche, Jr. The action was authored in Moscow, as it turns out from evidence accumulated since mid-February of this year.

Two days prior to the terrorist attack, the daily newspapers of the French, Italian, and Tunisian Communist Parties carried major attacks against Mr. LaRouche, slanting their coverage to make him appear as the leader of a purported paramilitary organization associated with "imperialist intelligence services," a telltale signal for terrorist targeting. A similar slander was carried, during the same week, in Algerian terrorist leader Ahmed Ben Bella's Arabic-language weekly published in Paris.

Profiling Moscow's terror network

A review of *EIR*'s extensive counterterrorism files supplies a context for investigation of this particular Paris terror-bombing, which will prove useful to the authorities investigating the matter:

Item: In the context of the February 1986 Congress of the Soviet Communist Party in Moscow, a certain decision was approved at the highest level, to intensify the terrorist campaign against NATO, and Western Europe in particular; the campaign was defined as broad in scope, principally involving "targets of opportunity," but also zeroing in on targets of particular interest. According to our information at the time, Mr. LaRouche and his associates were included in Moscow's scheme.



NSIPS

A substantial representation of Qaddafi's terrorist forces in the Western Hemisphere flank Nation of Islam leader Louis Farrakhan at the podium: To his left, former "Black Power" faker Stokely Carmichael; behind him, terrorist lawyer Chokwe Lumumba; on either side, representatives of the American Indian Movement. The occasion is a February 1986 rally against U.S. policy toward Libya.

Item: On March 21, the Moscow domestic television program "Vremya" broadcast a segment on LaRouche and his associates, characterizing them as "pro-fascist," "terrorist," "killers," and "trained killers," who "have received special training under the supervision of cutthroats from the neo-Nazi private army of [Wehrsportgruppe] Hoffman."

Item: On March 28, French police in Lyon arrested Direct Action leader André Olivier and found in his apartment an archive with 150 kilograms of documents, some of which were about LaRouche, according to French authorities. After his arrest, Olivier retained as his lawyer a notorious enemy of LaRouche, Maître Jacques Vergès, who represents both the Nazi war criminal Klaus Barbie and Swiss banker François Genoud, who, last year in court, was obliged to admit that he supports international terrorism. Both Genoud and Vergès are intimately and publicly associated with Ahmed Ben Bella and his terrorist adviser Michel "Pablo" Raptis.

Item: The brains behind the Direct Action terror organization which claimed responsibility for the bombing of *EIR*'s offices in Paris is the Lebanese publisher **Michel Hayat**, who, among other things, is publishing, from Paris, the German-language edition of *Pravda*, on the basis of a contract with the Soviet copyright agency VAAP.

Item: **Michel Hayat** of Direct Action is merely one of an extensive network of "journalist"/terrorists owned by the Soviet KGB—a network whose outlets in Britain, Denmark, Sweden, and the Federal Republic of Germany unleashed, beginning March 1, 1986, an orchestrated press campaign against LaRouche, arguing that he and his associates ought to be blamed for the assassination of Swedish Prime Minister Olof Palme.

Item: The KGB press/propaganda disinformation campaign against LaRouche in the matter of Palme's death, was orchestrated and led by three Soviet officials, U.S.A. and Canada Institute Director Georgii Arbatov, TASS news agency Director Sergei Losev, and Ambassador to Sweden Boris Pankin. As we reported in earlier issues of *EIR*, Pankin appears to be a lieutenant-general of the KGB, who once headed the Soviet copyright agency, which gave Michel Hayat his *Pravda* franchise, and who is said to be a senior coordinator of the KGB's disinformation and assassination departments, through a special "Directorate S."

What are the Russians up to?

The terror assault against *EIR*'s Paris offices was part of a broader Soviet terror campaign against the West, decided upon at the 27th Communist Party Congress. The broader strategic objective of that decision, as we warned at the time, was to usher in a period of social chaos throughout the West, to culminate in Jacobin-style mob rule. The LaRouche forces are viewed by the Soviet planners as a special obstacle to their perspective, specifically because they represent a potent cultural rallying point for Western populations—and institutions—capable of frustrating these efforts. Characteristically, on April 11, Georgii Arbatov, addressing the American Publishers Association in Washington, attacked LaRouche as a "fascist," and said that the "electoral victories of his supporters in Illinois are not a fluke but represent a disturbing thing, an events which should not be overlooked" (see article, page 67). Arbatov shared the podium with the State Department's European Affairs head Mark Palmer, who nodded approvingly.

Qaddafi's terrorists strike at offices of EIR, POE in France

by Paolo Serri

The detonation of two explosive-incendiary devices in Paris on Sunday, April 6, at the offices of *EIR* and the Parti Ouvrier Européen (European Labor Party—POE), was a precisely targeted blow by Soviet-backed terrorist forces at organizations and individuals associated with Lyndon LaRouche. Although the bombings caused significant damage, there were fortunately no casualties.

After consultation with numerous intelligence and security specialists in several countries, and through its own investigative research, *EIR* can now trace the steps of the foot-soldiers who carried out the attack. The trail leads to a broader terrorist structure controlled by Moscow, in particular through its proxies in Libya, Syria, and Iran.

The attacks against the POE and *EIR* offices must as well be seen in the context of one of the most massive terrorist deployments yet—from the TWA bombing in Athens on April 2, to the West Berlin discothèque bombing on April 5, to the bombing attempt near the hotel where Defense Secretary Weinberger was staying in Bangkok on April 8.

Murderous attacks

The explosion at the POE office, on the second floor of 19 Rue Nollet, tore down the door, which was reinforced with a steel sheet, shattered all the windows in the office and near-by buildings, and destroyed the door opening into the ground-floor wing of the building. Small fires broke out in the office and the staircase. Some five to eight minutes later, while two neighbors were trying to extinguish the fires, a second explosion went off on the fourth floor, in front of the *EIR* office, smashing the door and blowing a hole through the floor. More small fires broke out in the stairwell, blackening all the walls and stairs.

According to demolition experts of the Brigade Criminelle (anti-terrorist section of the national police), the two explosive devices were a combination of explosive and incendiary liquid, and the intention of the terrorists was to burn down the entire building, as well as to cause casualties. According to the first assesment of the insurance company, the overall damage amounts to about \$72,000.

On the following afternoon, the Paris office of Reuters press agency received a letter from the terrorist "Black War"

organization, claiming responsibility for the attempts. The letter was posted on Sunday night, around the time of the explosions or a little later. The envelope also contained a small piece of fuse.

The letter, typewritten in capital letters, reads as follows:

European Labor Party (which labor?), fascist-like grouplet, rue Nollet 19, tel. 42930234, with the small paper New Solidarity, and vague theories, which acts through the cover of the Schiller Institute.

Given that Chirac is interested in terrorism we can tell him that two first rate terrorists are sitting in the Parliament, Le Pen and Sergent.

Here it is a piece of fuse (it's not dangerous). This is our sixth terrorist attempt.

Police and intelligence authorities in Europe were divided on how to respond to this attack. Some remnants of the previous Socialist government inside the police and security apparatus tended to put out the simplistic story that a "French leftist group" was responsible for placing the two bombs, while downplaying the significance of the incident. The German BKA (federal investigators) initially spoke merely of "a firecracker, which made a lot of noise and smoke," and had to change its version later on. But other French police investigators and intelligence officers agreed both on the seriousness of the action and its international implications.

In fact, as some specialists stressed to *EIR*, Black War, which used to be called the "Geronimo" group, is nothing else but the Paris branch of the terrorist organization Direct Action (*Action Directe*), as the mass-circulation daily *France Soir* wrote on April 9, reflecting evaluations from sources in the new interior ministry. Black War was born after the sinking of the ecologist Greenpeace ship in New Zealand in July 1985, an operation which *EIR* has denounced as a Soviet and Trilateral Commission plot to undermine French government institutions, particularly the intelligence services.

A French intelligence source revealed privately that documents about LaRouche were found by the French police at the "archive" safe-house in Lyon, where they arrested

one of the Direct Action terrorist leaders, André Olivier, on March 28.

Direct Action, responsible for major bombings and assassinations in recent years, built up; a year and a half ago, a common structure with the West German Red Army Faction (the Baader-Meinhof gang), the Belgium Communist Combattant Cells (CCC), and remaining sections of the Red Brigades. This terrorist reorganization, generally labeled "Euroterrorism," was an important shift among European terror groups, as they were placed more directly under the control of a radical Islamic apparatus under the tutelage of Syrian, Iranian, and Libyan intelligence services. This reorganization became visible in a shift of emphasis of terrorist targets, especially against American and NATO military objectives and personalities working around the U.S. Strategic Defense Initiative.

In this connection, the attacks carried out over the last two years against LaRouche and his associates—the leading international proponents of this new military doctrine and technological revolution—by the Libyan government, serve to identify the Soviet control over this terrorist deployment.

Libya attacks LaRouche

On Jan. 9, 1984 the official Libyan press agency JANA denounced LaRouche for "fueling the campaign of hostilities against Libya." JANA stated that "LaRouche visited Italy to finance this campaign according to instructions issued by President Reagan." Indeed, LaRouche had been in Rome on Nov. 9, 1983 to address a conference on the Strategic Defense Initiative, provoking an enraged attack on him in the Soviet government newspaper *Izvestia* on Nov. 15 ("a gathering of troglodytes"). Almost two months later, Qaddafi was retailing the opinion of his Soviet masters, on an issue of no concern to Libya, but fundamental in Moscow's eyes.

More recently, on Feb. 1, 1986, the Libyan embassy in Bonn sent a threatening letter to the Schiller Institute, an organization founded by LaRouche's wife, Helga Zepp-LaRouche. At that time, security specialists had warned *EIR*: "Now expect some bombs from the Libyans."

Four days after the Paris bombings, the West German government decided to expel two Libyan terrorist controllers, disguised as "diplomats" in Bonn, for planning operations against "Qaddafi's opponents" in the country.

Direct Action and the FARL

Direct Action has a long and established terrorist cooperation with the Lebanese Armed Revolutionary Factions (FARL), one of the most dangerous expressions of Islamic terrorism internationally. In fact, according to French and other countries' intelligence readings, Direct Action, like other European groups, no longer exists as an independent capacity—if it ever did—but is merely a name with some members attached, operating under Islamic terrorist control,

financially, logistically, and in terms of weapons supply. The FARL, some field leaders of which are sitting in jail in Italy and France, has connections and financial support from the Qaddafi regime, though the primary controlling agency is the Syrian intelligence service. Furthermore, last year the FARL announced unity of actions with the Armenian ASALA terror organization, and the kamikaze Al-Jihad group. It has maintained long-standing cooperation with the Nazi Syrian National Socialist Party (PPSS) in Lebanon. All these groups are under Syrian and Iranian control. A representative of the PPSS, May Elias Mansur, is suspected of involvement in the April 2 bombing of the TWA plane, which caused four deaths.

As *EIR* has documented extensively, most recently in the dossier *Moscow's Terrorist Satrapy: The Case Study of Qad-*

After consultation with intelligence and security specialists in several countries, and through our own investigative research, we can now trace the steps of the foot-soldiers who carried out the attack. The trail leads to a broader terrorist structure controlled by Moscow, through its proxies in Libya, Syria, and Iran.

dafi's Libya, most Islamic terrorism intersects in Europe with the pre-existing structure of the Nazi International, centered around the Lausanne, Switzerland-based Nazi banker François Genoud. On April 14, 1985, French police discovered the safe-house in Paris of the field leader of the FARL, Abdullah George Ibrahim, which led to the arrest of Odfried Hepp, a Nazi terrorist of the West German organization Wehrsportgruppe Hoffmann. One member of this group, Udo Albrecht, avoided arrest in West Germany by fleeing to East Berlin, under the protection of the Stasi intelligence service.

This same Nazi-communist combination again came to light with the decision by Direct Action's André Olivier to hire the infamous Jacques Verges as his lawyer. The reputed leader of the old "Henry Curiel network" of Soviet penetration in France and the Mediterranean, Verges is also the lawyer of Nazi criminal Klaus Barbie, who is currently awaiting trial in France. It was Genoud who arranged for Verges to become the lawyer for Barbie, known as the "hangman of Lyon" for his behavior during the Nazi occupation of France.

Western intelligence confronts Qaddafi's terrorist onslaught

by Thierry Lalevée

In less than a week between April 5 and April 10, Libya suffered four diplomatic casualties, following close on the heels of the March 24-25 U.S. military actions in the Gulf of Sidra, which included the knocking out of Russian SA-5 anti-aircraft missile batteries on the Libyan coast. Several European governments have now dropped their reluctance to cross Muammar Qaddafi's "line of death," and have served notice on the mad dictator that terrorist controllers with diplomatic passports are no longer welcome.

In Paris on April 5, French police announced that two Libyan diplomats, yet unnamed, were to be expelled within 48 hours. Later statements indicated that not only were these diplomats suspected of plotting terrorist actions against American interests in France, but were actually found in possession of explosives. At the same time, two North African Islamic fundamentalists, Fethi Sherif and Rouini Hedi Ben Ali, thought to belong to an Islamic network "potentially" involved in terrorism, were also expelled. These measures were characterized by the French police as "preventive."

Then on April 10, the West German government took the unprecedented step of expelling two Libyan diplomats, Ahmed Omar Issa and Mahmud Ahmed Shibani, who had been working at the Libyan People's Bureau in Bonn since 1982-83 under the cover of administrative jobs. According to the West German government, both were Libyan intelligence officers who had displayed most "non-diplomatic" behavior. They belonged to a special intelligence team which kept close surveillance over anti-Qaddafi activists in the Federal Republic. The statement by the Bonn officials implied that they also were also responsible for planning terrorist strikes.

Both the West German and French governments (under previous French Socialist Prime Minister Laurent Fabius) had hitherto stubbornly rejected any actions against Tripoli. When a Libyan opponent of Qaddafi was shot to death in

Bonn in April 1985, no Libyan was expelled. Thanks to the long-standing relationship between Muammar Qaddafi and Foreign Minister Hans-Dietrich Genscher, Tripoli had only been politely asked to cease some of its more visible activities. One diplomat, Elamin Abdullah Elamin, whose name we shall meet again, quietly left Bonn at that time to join the staff of the Libyan People's Bureau in East Berlin.

The recent measures are not just a blow to Qaddafi, but also pull the rug out from under those who have been using the terror wave to widen the gap between Europe and the United States. Moscow's strategic wielding of the terror weapon—what Hitler called *Schrecklichkeit*—is aimed to force European capitulation to Soviet domination. But this "decoupling" drive does not only originate in the Soviet Union. While U.S. Defense Secretary Caspar Weinberger ordered the bombardment of Libyan military targets, State Department officials undermined the effect of his policy by denouncing European governments. On April 4, State Department Counterterror chief Robert Oakley blasted the French government for refusing to act against Libya, just at the point that Paris was expelling the two Libyan diplomats. Oakley had kept silent when Socialist Prime Minister Laurent Fabius and Interior Minister Pierre Joxe were in the government, and were pursuing a policy of blatant appeasement of the terrorists.

The same bizarre behavior occurred in West Germany, as U.S. Ambassador Richard Burt on April 9 criticized the West German government for only "half-heartedly" fighting terrorism. Chancellor Helmut Kohl, in fact, was not bowing to U.S. pressures, when he insisted that Germany will not allow "the Americans to be bombed out of our country."

The new willingness to strike back that is emerging in Europe, comes at a point when the continent has become the battlefield in one of the most intensive terror waves of the decade, as all U.S. and NATO installations are on their highest state of alert in Spain, Italy, and the Federal Republic of Germany. French, West German, Italian, and Spanish intelligence services especially are on alert.

Yet the recent anti-terror actions are far from what is required to stop Qaddafi in his tracks. The expulsions have, at best, impaired the terrorists' logistics supplies for a few days. Neither the United States nor any of the European governments have been able to arrest one single terrorist since the beginning of the year, and terror incidents are increasing week by week.

The terrorist explosion

The number of terrorist acts since early February has required the global deployment of at least several hundred persons, ranging from those who actually planted the bombs, to those who organized the escape-routes, the safehouses, and the logistical supplies. A wave of bombings in France during February and March seriously wounded dozens and was claimed by the Solidarity Committee with Arab Political Prisoners (CSPPA)—understood to be merely the new name

for the Lebanese Armed Revolutionary Factions (FARL), whose leadership is now languishing in French and Italian jails. The CSPPA is now threatening similar actions in Italy. There has been a sudden reactivation of separatist terrorism in France, Italy, and Spain; a reactivation of "Euroterrorism" in Germany and Italy, with the murder by the Red Brigades on Feb. 2 of former Florentine mayor Lando Conti.

More recently, there was the April 2 bomb explosion aboard the TWA flight 840, en route from Rome to Cairo, which killed four people.

Then came the terrorist bombing of the "La Belle" discothèque in West Berlin on April 5. The disco was frequented by U.S. military personnel. U.S. intelligence agencies had previously intercepted communications from Tripoli to the Libyan People's Bureau in East Berlin, referencing plans for a terrorist attack. The U.S. services immediately contacted the Soviet Union, in an attempt to avert the attack, but received no cooperation.

On April 8, a leading Greek industrialist was assassinated by the "November 17" terror group.

The same day, an unsuccessful bombing attempt was directed against Defense Secretary Weinberger in Thailand. A bomb exploded in the parking lot of the Erawan Hotel in Bangkok, 90 minutes before he was scheduled to give a speech there. Weinberger would have passed within five yards of the bomb site.

Aimed at confusing Western intelligence, these terror acts have been claimed by previously unknown groups, as if on Dec. 31, 1985 all previous terrorist organizations had decided to moult their skins. The FARL became the CSPPA; Abu Nidal became the Arab Revolutionary Cells, as well as the Anti-American Arab Liberation Front, as far as the April 2 and April 5 explosions are concerned.

These changing labels merely underline the cohesiveness existing among several intelligence services. As long as Libya's terror deployment is not understood as just a part of a broader nexus, which includes Syria, Iran, and the East bloc, anti-terrorism efforts will remain ineffective.

Investigations into the West Berlin bombing may become a case study of how terrorism functions. According to a report released on April 10 by West German intelligence officials, the operation was perpetrated by a group of Palestinian mercenaries on behalf of Libya. Decoded radio transmissions between East Berlin and Tripoli revealed that Qaddafi was personally involved in planning the action, together with diplomat Elamin Abdullah Elamin, the same one who slipped out of Bonn last year.

The action required at least three simultaneous decisions and authorizations: 1) Libya had to decide on the operation, its timing and location; 2) it had to receive the support of the Syrian-based Palestinian group, a decision which could be reached only with the approval of Syrian intelligence; 3) East German intelligence had to be aware of the plans.

This pattern of behavior will be found in many of the currently ongoing terrorist operations in Western Europe.

America Battalion: a new phase of narco-terrorism

by Héctor Apolinar

For nearly two months, 15,000 Colombian troops, backed by heavy artillery, Urutu tanks and armored cars, T-33 and T-37 bombers, and artillery helicopters, have been deployed in battle in Colombia's Cauca and Valle provinces, against a new South American narco-terrorist army, the "America Battalion." Formed of Ecuadorian, Peruvian, and Colombian terrorists, the Battalion sought to surround, and then seize, Valle's capital city, Cali.

Colombia's army has delivered heavy losses to the terrorists, but they have been unable to knock them out. The Battalion struck for the first time in Peru in late March, taking responsibility for a wave of bombings. Behind the terrorists stand the extensive resources of the cocaine mafia, and the Soviet international terrorist apparatus coordinated through Qaddafi's Libya. The emergence of the America Battalion marks a new phase in the mafia's warfare against the nations of Ibero-America, this time on a regional scale.

"America Battalion" leaders are explicit that their purpose is to destroy national sovereignty and territorial integrity in South America. Alvaro Fayad, a leader of one of the Battalion's member groups, the Colombian M-19, defined the nature of the new transnational terrorist enterprise. "We are experiencing and will experience phenomena which have not been seen since Simón Bolívar," he told the Jesuit Mexican newspaper *La Jornada*, on March 3. "Everyone fighting, without international sponsorships, without support from states or revolutions. . . . To see Colombians, Ecuadorians, and Peruvians as the armed force of democracy is a phenomenon that has not been seen since Bolívar. . . . We are not setting up International Brigades . . . but a Bolivarian army. . . ."

Fayad died in a clash with Colombian security forces a few days later, but his policy has been implemented. April 2, the head of the M-19's rural operations, Marcos Chalita, reiterated that the terrorists no longer consider themselves a guerrilla movement, but "an army of liberation." Stated Chalita in an M-19 communiqué, "The guerrilla is a resistance force. It harasses with surprise attacks and withdraws to avoid confrontation. An army seeks another kind of confrontation. We don't hit and run."

In announcing its participation in the America Battalion, on Feb. 24, the Peruvian terrorist group, Tupac Amaru Rev-

olutionary Movement (MRTA), stated that the transnational armed struggle aims at "conquering a second and definitive Ayacucho," a reference to the final defeat of Spanish troops in 1824 at Ayacucho, at the hands of the Latin American independence forces. The MRTA then called on the terrorist gang Shining Path (Sendero Luminoso) to join forces with them to overthrow the government of President Alan García.

The narco army of Lehder and Qaddafi

Fayad's braggadocio that the new army is "without support of states or revolutions" is a joke. The America Battalion is the revolution of the drug mob, and if Qaddafi isn't helping them, it is they who are coming to Qaddafi's aid.

Officially, terrorists from the ranks of Peru's MRTA, Quintín Lamé and the April 19 (M-19) Movement from Colombia, and the group called "Alfaro Vive, Carajo," of Ecuador, make up the America Battalion. The M-19, who carried out the mafia's hit order against Colombia's Supreme Court in November 1985, made headlines April 3, when one of their commandos "stole" 14 tons of sodium bicarbonate from a factory in Cundinamarca department—a chemical, as Colombia's press noted, used in processing cocaine. Quintín Lamé was founded by Colombia's cocaine king, Carlos Lehder, to protect his stronghold, the province of Armenia. Lehder, an avid admirer of Adolf Hitler and Hitler's regime, brags that he sometimes joins Quintín Lamé in their fights.

The America Battalion was well represented at Qaddafi's meeting to form an "international front" of terrorists, in Tripoli on March 14-17. Members of the M-19, along with the MRTA's allies, Shining Path (see *EIR* Vol. 13, No. 15, page 40) participated in the meeting. There, Qaddafi called upon separatist movements around the world to form an alliance with the West German Green Party, a political alliance which Lehder, whose newspaper has repeatedly praised both the Green Party and "Indian liberation movements," also advocates.

The mafia's 'ethnic' project

Recently, one of the founders of MRTA, Peruvian anthropologist Stefano Varese, revealed to a Mexican journalist interviewing him at his residence in Oaxaca, that the MRTA had debated the possibility of stopping their terrorist war last August, to support President García's policy of national defense against the International Monetary Fund, but that the group had finally decided to fight to overthrow García.

Varese, who has been living in Mexico since the 1970s, helped found MRTA, together with his brother Luis, also an anthropologist. The latter, trained by the Jesuit Order, was "converted" to terrorism by the Trappist priest of Nicaragua, Ernesto Cardenal, with whom he spent some time in Cardenal's drug, sex, counter-culture commune on the Island of Solentiname, in Nicaragua. According to Stefano, the Cardenals' "Utopia" had a decisive influence on the guerrillas. Ernesto Cardenal and his brother, the Jesuit Fernando, created the syncretic movement known as "Sandinismo." There is no Nicaraguan "comandante" who did not pass through his

courses in "Christianity" or his "retreats" in Solentiname to drench himself in his anti-imperialist "poetry."

In his interview, Stefano Varese tried to portray his terrorist groups as one of the "separatist" movements to which Qaddafi referred. The MRTA is seeking to set up an "ethnic project" of "recovery of the indigenous culture," Varese claimed. Varese called the existence of the nation-state an "oppressor" of the indigenous cultures, which tries to "impose" a "national culture" over the working class, peasant, and indigenous "cultures." Thus, the education system of the nation-state is part of "domination" of a minority over a majority, Varese explained, and it is necessary to give a "subversive character" to education, as the first step toward "subversion of the nation-state."

"American Battalion" leaders are explicit that their purpose is to destroy national sovereignty and territorial integrity in South America. The terrorists no longer consider themselves a guerrilla movement, but "an army of liberation." "The guerrilla harasses with surprise attacks and withdraws. An army seeks another kind of confrontation. We don't hit and run."

In his book, *Ethnic Projects and National Projects*, (1983), Varese says he is against the "Judeo-Christian concept of time . . . linear and ascending. . . . From a such a conception, the idea was derived . . . of progress as betterment, as perfection with respect to what went before." According to Varese, the indigenous "ethnic project" is an "alternative" to the "national project." Varese says: "We can state that the search for a Latin American specificity and national particularisms, which have been manifested in our countries from their formal political independence, and which have operated especially in the sphere of formal education and from a culture of hegemonic classes, originated and developed as ways of life alienated and distant from the indigenous and Afro-American popular masses," the true source of "culture."

Qaddafi's anthropologists

The Varese brothers' theories supply the ideological trappings for the mafia's "America Battalion" as the "armed branch" against the nation-state. Typically imperialist-oligarchist, their theories reflect their leading role in an extensive network of Nazi-communist "action anthropologists," the same network which is behind "Shining Path"—and on

Qaddafi's payroll.

Stefano is a leading member of an anthropologist organization called Cultural Survival, USA, and the International Working Group of Indigenous Affairs, with its headquarters in Copenhagen. Queen Margarethe of Denmark is an honorary member of the board of directors of Cultural Survival, with other directors of this organization coming from Harvard University, such as David Maybury Lewis, and Dr. Evon Z. Vogt, ex-director of Harvard's "project" with the indigenous group Tzeltal-Tzotzil, in Chiapas, Mexico.

Cultural Survival dedicated its 1985 *Year in Review* to a defense of "indigenous" narcotics use. Entitled "Drugs and Tribal Peoples: Production, Use and Trafficking," Cultural Survival's anthropologists argued that "eradication" of coca and other drugs "threatens the cultural identity" of the Indians of the region. Cultural Survival is also the U.S. branch of another anthropologist organization, Gesellschaft für Bedrohte Völker (Society in Defense of Endangered Peoples), headquartered at Göttingen University, in West Germany. Although it is headed by Tilman Zeulch, the real "brains" of the Endangered Peoples society are the terrorist-trainer Ivan Illich, and a leading neo-Nazi activist in West Germany, Prof. Henning Eichberg.

Eichberg works with *Wir Selbst*, a magazine promoting separatist movements of all stripes—and financed by the government of Libya. Illich's participation in this indigenist project brings the network full circle. It was Illich who introduced the Colombian Catholic priest Camilo Torres to terrorism, through his "courses" at the now-defunct Center of Information and Documentation (CIDOC) headquartered in Cuernavaca, Mexico, where he was associated with Ernesto

Cardenal. Camilo Torres's networks became the precursors of the M-19.

Varese, who runs several Indian terrorist projects from his Oaxaca base, is also close to U.S. anthropologist John Mohawk, also a member of Cultural Survival and the Society for Endangered Peoples. Mohawk is a leader of the American Indian Movement (AIM), headed by Russell Means—leading participants with the M-19, et al. in Qaddafi's March meeting in Tripoli! In December, AIM announced that it was sending some 200 Indian activists to fight beside the Misurata Indians against the Sandinista government, with the objective of setting up an independent "indigenous republic" in Nicaragua.

The Society for Endangered Peoples serves as another liaison between the Ibero-American terrorist movements and the West German Green Party. Part of this connection is made through Carl Amery, a member of Endangered Peoples, director of the Munich-based E. F. Schumacher Society, and one of the ideologues of the Green Party.

The ideas are similar. The Green Party proclaims the need for violent actions to combat the government's policy to stimulate development through industrialization, which supposedly destroys the ecology. In Ibero-America, they say, the nation-state has to be stopped from "destroying" native tribes through education and development, because in this way the tribes would be destroyed which are . . . part of the ecology.

Things have not changed much in anthropology: They have to make sure that when the aristocrats go hunting in Africa, there are elephants, and Negroes who can carry their tusks on their backs.

Washington Times backs Qaddafi's AIMs

Is the terrorist American Indian Movement (AIM), prominent participants at Qaddafi's March 14-17 anti-U.S. war confab in Tripoli, Libya, now receiving covert U.S. aid?

The question is raised by a strange article appearing in Count Arnaud de Borchgrave's *Washington Times* on March 4, 1986. Entitled "A Voice for Indian's Plight in Nicaragua," and accompanied by two photos of "American Indian activist Russell Means," the *Times* article featured AIM leader Means's demand, that the group should be among the beneficiaries of the planned \$100 million in U.S. aid to the Nicaraguan "contras"!

In December 1985, AIM activists announced that they planned to send 200-plus members to join the Misurata Indians in battling the Sandinistas, whom they had suddenly discovered were "anti-Indian." *EIR* viewed the AIM

announcement as a cover for combat training, following which the forces would be deployed elsewhere. But not so the *Washington Times*.

Means was "still smarting from a shrapnel wound sustained during a just completed clandestine tour of Indian villages in eastern Nicaragua," *Times* reporter Marc Lee wrote March 4. Lee duly recorded Means's attacks on the Sandinistas and "American liberals and radicals [who] have not helped the Indian cause," as well as his argument that the United States should supply "guns, ammunition, boots, and medicine," for his "fearless fighters" in Nicaragua. Means was seeking to discuss the matter in a personal meeting with President Reagan, the *Times* noted.

EIR does not believe that President Reagan's security advisers would allow this terrorist so close to the U.S. President. But de Borchgrave's *Times* is not the only U.S. supporter of AIM's Misurata Indian organization allies. Former U.N. ambassador Jeane Kirkpatrick and Assistant Secretary of State Eliot Abrams joined Muammar Qaddafi in supporting the Misurata "fighters" three years ago. Did Means receive the money he sought?

Global activation of narco-terrorism

By no means complete, the map shows highlights of the worldwide network in action since late February.

1. Moscow: The secret agenda of the 27th Congress of the Communist Party of the Soviet Union in the second half of February maps out a systematic assassination campaign against Western political and military leaders, and threats against heads of state.

2. Stockholm: Prime Minister Olof Palme is assassinated Feb. 28, paralyzing the country. Ambassador Boris Pankin, a top KGB official, directs disinformation campaign through Western media channels attempting to link the killing to the European Labor Party, associates of U.S. political figure Lyndon LaRouche.

3. Tripoli: Muammar Qaddafi hosts terrorist, separatist, and revolutionary groups from 80 countries March 14-17 at conference to form "international front" against the United States. On March 24, in Gulf of Sidra, the U.S. Sixth Fleet retaliates for attack on its maneuvers, demolishing SAM-5 missile base in Libya.

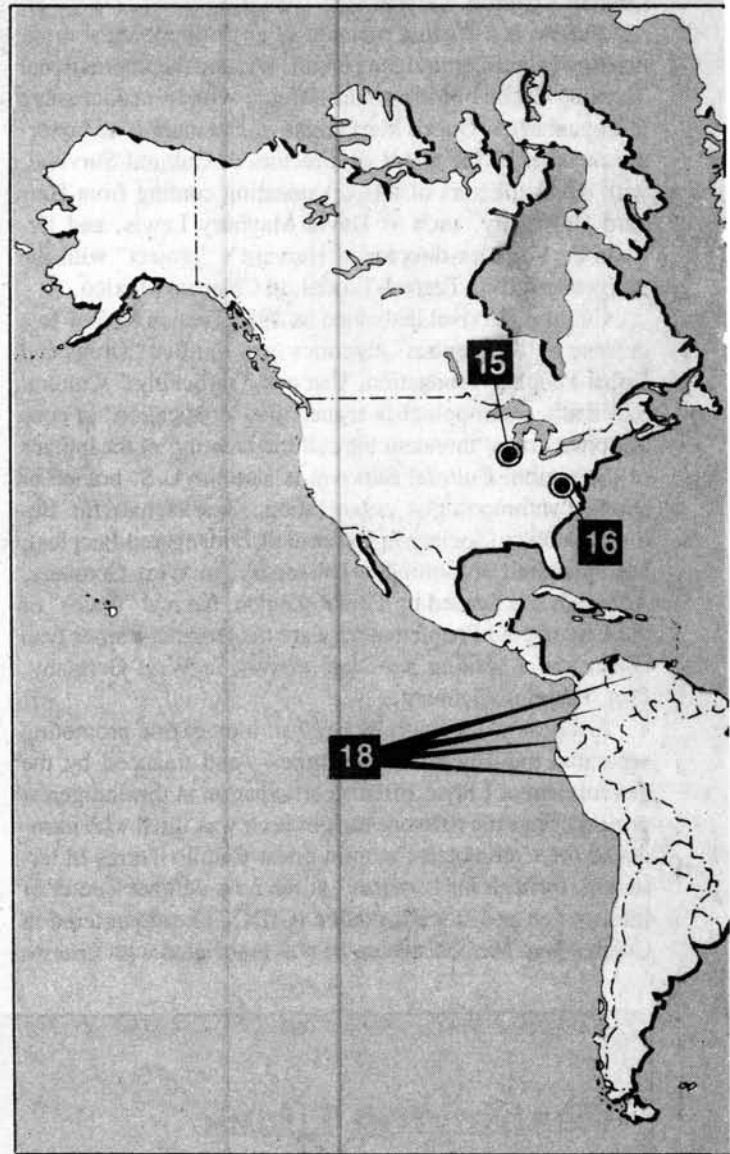
4. West Berlin: U.S. servicemen are killed in a cafe bombing on April 5; U.S. intelligence intercepts show Libya and Soviets had foreknowledge. East Berlin is now main staging area and transit point for terrorist entering Western Europe, especially from the Middle East.

5. Paris: The April 6 bombing of offices of European Labor Party and *EIR*, which have taken the point in denouncing Soviet-backed terrorism, is claimed by a branch of Direct Action. Since the March accession of Premier Jacques Chirac, a crackdown against terrorists previously safehoused in France has begun.

6. Rome: Likely location where bomb was placed on a TWA flight that resulted in deaths of four Americans on April 2. Intelligence sources say Foreign Minister Andreotti has secret deals with Qaddafi that will make Italy the now-favored haven for Islamic terrorists. *Europeo*, a weekly tied to Andreotti, has targeted the European Labor Party for terrorist attack.

7. Lisbon: A bomb attack against offices of Air France is claimed on April 11 by Direct Action, which promises it will bomb offices of the French consulate and French cultural liaisons in Porto, "because of France's support for the United States against Qaddafi."

8. Lebanon: Primary recruiting ground and training area for terrorists deployed through Qaddafi and the "Abu



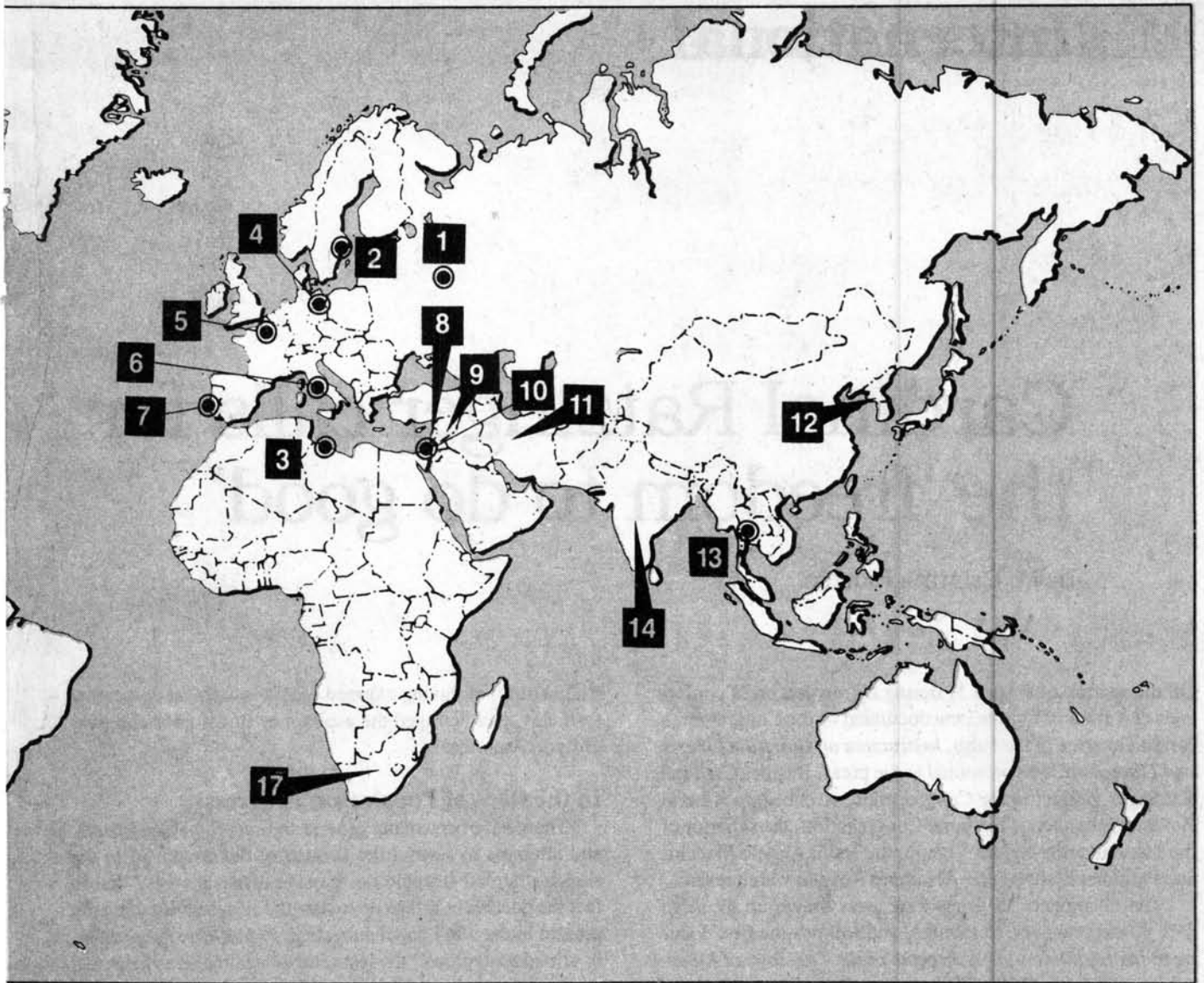
Nidal" organization. Northern Lebanon, under control of Syrian intelligence and the Nazi-communist Popular Party of Syria, is major training and logistics center for terrorism.

9. Syria: The actual backbone of Soviet-deployed Islamic terrorism.

10. Tel Aviv: There are widespread reports that Minister of Trade and Industry Ariel Sharon, who is tied into Soviet terror networks, is plotting a renewed Arab-Israeli conflict in Lebanon as part of a power play within Israel.

11. Iran: Officials of the "Pasdaran" revolutionary guards have been sent to Tripoli (Libya) to assist in the creation of a Pan-Islamic Revolutionary Army.

12. North Korea: Orders from the Soviet 27th Party Congress have resulted in resurfacing of terrorism in Japan against the U.S. embassy and palace, on March 25. The incident is widely believed to have been directed by a North Korean network infiltrated into Japan. The Pacific



region is on alert for North Korean terror.

13. Bangkok: A powerful bomb is set off near the hotel where U.S. Defense Secretary Weinberger is staying on April 8, killing one person. It was Weinberger's Defense Department that gave the orders to retaliate against Libyan aggression in the Gulf of Sidra on March 24-25.

14. India: Renewed communalist violence in Punjab is part of a Soviet strategy to balkanize the Indian subcontinent. The U.S. drug lobby's Anti-Defamation League is supporting this through its ties to the "Khalistan liberation movement" that claimed the murder of Prime Minister Indira Gandhi. India is asking Qaddafi to cease attempts to mass-recruit Indian soldiers.

15. Chicago: Black Muslim extremist Louis Farrakhan, who attended the March 14-17 Tripoli meeting, calls for formation of an army of black GIs to turn over their weapons to terrorists. He issues threats to Sheila Jones, LaRouche-Democratic candidate for mayor of Chicago.

16. Washington: FBI director William Webster in February denies existence of narco-terrorism, while deputy director Buck Revell continues to refute warnings of Libyan and Soviet terror targeting the United States.

17. South Africa: Oliver Tambo, leader of the Soviet-run African National Congress, in Germany on April 10 after a trip to Moscow, predicts "horrifying levels of violence before we see an end to the apartheid system."

18. Ecuador-Colombia-Venezuela-Peru: "America Battalion" formed by Qaddafi followers moves to a new phase with a regional level army to overthrow nations (pp. 33-35). Escape of Honduran narcotics bigwig Matta Ballestreros from a Colombian jail (page 42) and his welcome back to Honduras signals resurgence of narco-terrorism and its financial backers. Peru's President Alan García has cracked down on the cocaine mafia, but faces financial warfare from the international banking fraternity and ongoing terrorism inside Peru.

Cardinal Ratzinger calls for the 'freedom to do good'

by M. Cristina Flocchi

On the morning of April 5, during a crowded press conference at Vatican City, the new document of the Congregation for the Doctrine of the Faith, *Instruction on Christian Liberty and Liberation*, was presented to the press. Besides Cardinal Ratzinger, prefect of the Congregation, Archbishop Alberto Bovone, secretary of the same Congregation, the superior of the Salesian order Egidio Viganò, the Jesuit Angelo Macchi, and Peruvian Bishop Julio Alzamora Rovedo were present.

The document, 58 pages long, was drawn up by more than 40 experts over 18 months, and follows the first document *Instruction on Some Aspects of the Theology of Liberation*, published in 1984. The previous document condemned "the deviations, dangerous for the faith and the Christian life, contained in certain forms of the Theology of Liberation, which resort in an insufficiently critical manner to concepts shared by various currents of Marxist thought." The purpose of the second document was supposed to be to shed light on the positive aspects of the theme of freedom.

The issuance of the new document, which was announced by Joseph Cardinal Ratzinger at a press conference right after the Extraordinary Synod of Bishops that concluded last December in Rome, has awakened great interest, and naturally the "experts" have hastened to interpret the new indications given by the important Congregation for the Doctrine of the Faith. According to *Newsweek* the document gives a free hand to the activists of Theology of Liberation. One of their biggest exponents, the Peruvian Gustavo Gutiérrez, is quoted saying jubilantly: "It is the end of an era, the debate is over." Less positive were the comments of the Italian friends of Theology of Liberation, who accused the former Holy Office

(Inquisition) of having exhumed old philosophical devotional formulas, and betrayed the aspirations of the poor churches of Latin America.

In the steps of *Populorum Progressio*

There have been many generic and superficial judgments, and attempts to restrict the content of the document to the slogan, "armed struggle no, passive resistance yes," but in fact the document brings up to date the admissibility, already present in the 1967 papal encyclical *Populorum Progressio*, of armed struggle as "the last remedy against an evident and prolonged tyranny, which gravely threatened the fundamental rights of the individual and harmed in a dangerous way the common good of a country." The new document says in fact that "the concrete application of this measure can be foreseen only after a very rigorous evaluation of the situation."

From a first examination of the "Instruction on Christian Freedom and Liberation," it is clear that the Theology of Liberation is not even named. Whereas in the first Instruction, such theology was analyzed and condemned, in the second, there was clearly a desire to take definitive distance from that theme. Ratzinger himself made the point during the press conference, that the document is a reply to accusations too often made against the Roman Catholic Church, both by the free-market liberals and the Marxists, of being the negation of freedom. "It is a duty of the Church to clarify," the Cardinal said, "the two opposite concepts of freedom," one which has as its model *anarchy*, and the other, the Christian one, which has *alliance* as its model.

In the second document, the Church proposes an orthodox interpretation of the theme of freedom: "The consciousness of freedom and the dignity of man," stresses the introduction, written by Cardinal Ratzinger, "joined with the affirmation of the inalienable rights of the individual and of peoples," is one of the outstanding characteristics of our time. Now, freedom demands certain conditions of economic, social, political, and cultural order, which make its full exercise possible. The church of Christ makes such affirmations its own." Hence, it is reiterated here that there is an organic link between the first and second document: "They must be read, one in the light of the other."

In fact the second *Instruction* repeats the condemnation of the philosophy of "class struggle," contained in the Theology of Liberation. The document says, "Although it encourages the creation and action of associations, such as trade unions, which fight for the defense of the rights and legitimate interests of workers and for social justice, for that very reason the Church does not admit the theory that sees the structural dynamism of social life in the class struggle. The action, which it recommends, is not the struggle of one class against another to obtain the elimination of the adversary; nor does it proceed for an aberrant submission to a presumed law of history. It is a noble and reasonable struggle, with a view to social justice and solidarity."

The myth of revolution is also very emphatically condemned, which is one of the constant themes of the Theology of Liberation, "those who discredit the way of reforms," says the *Instruction*, "in favor of the myth of revolution, not only nourish the illusion that the abolition of an evil situation is enough in itself to create a more human society, but they even favor the advent of totalitarian regimes. The fight against injustice has no meaning, if it is not conducted with the intention of establishing a new social and political order in conformity with the requirements of justice." Concluding the press conference, Cardinal Ratzinger had stressed the necessity to fight against the myth of revolution "so that reason may triumph."

Free-market economics condemned

The new theme, with respect to the first document, dealt with in the *Instruction*, is that of a clear-cut condemnation of free-market economics and of the philosophical conception on which it is based: "In regard to the modern movement of liberation, it must be stated that the effort being made to free thought and the will from their limits has been pushed to the point of maintaining that morality, as such, constitutes an unreasonable limit that man must overcome, if he wants to become truly his own master."

In the chapter on man's vocation for freedom, the problem of man's freedom is addressed with great depth. "Man must learn to bring his will into accord with his nature," because it is "the harmony with the demands of human nature, which renders the will itself human . . . far from fulfilling itself in a total autarchy of the ego and in the absence

of relationships, freedom does not truly exist where there are not mutual ties, regulated by truth and justice, to unify individuals.

"Freedom is not the freedom to do anything whatsoever: It is the freedom to do good, in which alone happiness resides. The Good, therefore, is its purpose."

The document ends with a chapter, perhaps the clearest and most complete, on the social doctrine of the Church, for a Christian praxis of liberation, to be counterposed to the false liberations of the Theology of Liberation. Many subjects are treated: the value of human labor, profit considered positively if it favors the common good, wages as not charity but a resource, development aid to Third World countries as the only guarantee of peace, the moral obligation to not hold unproductive capital, and universal education and the elimination of illiteracy.

Cardinal Ratzinger at the press conference had presented the document as the outcome of an organic continuity of the teaching of the Church expressed in the constituting of the

Freedom does not truly exist where there are not mutual ties, regulated by truth and justice, to unify individuals. Freedom is not the freedom to do anything whatsoever.

Vatican II Council's *Gaudium et Spes* and in the encyclicals *Populorum Progressio* and *Laborem Exercens*; perhaps the final chapter is that which condenses the teachings of the Church in the most complete form, putting just social demands, which are often utilized by the Liberation Theologists for other ends, in their proper framework in the line of action today conducted by the Church.

"Expert in humanity, the Church through its social doctrine offers a collection of principles of reflection, of criteria of judgment, and hence of directives for action, so that those profound changes which the situations of misery and injustice require, may be carried out, and so that this be done in a way that contributes to the true good of mankind." The Church, says the documents, is fighting for the full recognition of the dignity of every human being, who is in the image of God, and so that every human being can contribute to the common good of society, and for this reason the Church condemns every form of "social and political individualism," i.e., free-market economics, and every form of "collectivism," i.e. Marxism.

Here are some quotations from the most interesting affirmations from the final chapter:

A true civilization of labor. "Thus the solution of most of the serious problems of misery is found in the promotion

of a true civilization of labor. Labor is, in some way, the key to the entire social question."

The national and international common good. "Such a culture of labor will imply participation tending to promote the national and international common good, and not to defend individual and corporative interests."

The value of human labor. "Every man has a right to work, which must be recognized practically through an effective commitment to the end of resolving the dramatic problem of unemployment. The fact that this maintains broad layers of the population in a condition of being outcasts, and most markedly, youth, is intolerable. For this reason, the creation of jobs is a primary social task, which is imposed on individuals and on private initiative, and in equal measure on the State. Broadly speaking, here as in other sectors, the State has a subsidiary function; but often it can be called upon to intervene directly, as in the case of international accords between different States."

Priority of labor over capital. "Entrepreneurs have the moral obligation to not hold unproductive capitals and, in investments, to look above all to the common good."

Universal destination of goods. "The principle of the universal destination of goods, together with that of human and supernatural brotherhood, dictates precise duties to the richest countries with respect to the poor countries. These duties are of solidarity in aid to developing countries."

Development aid. "International solidarity is a requirement of a moral order. It is not imposed only in the cases of extreme urgency, but also for aid to real development. There is here a common work to do, which requires a concerted and constant effort to find concrete technical solutions, but also to create a new mentality in the men of our time. Peace in the world depends in large measure upon it."

Right to education and culture. "Every man has the right to culture, which is the specific force of a truly human existence, to which he accedes with the development of his faculties of consciousness, his moral virtues, his capacities of relations with his fellow man, his aptitudes to produce useful and beautiful works. From that derives the requirement of promotion and diffusion of education, to which everyone has an inalienable right. The first condition of that is the elimination of illiteracy."

The choice of the Church of Pope John Paul II and Cardinal Ratzinger to align themselves with "those who have no voice, the poor of the world," is evident. In some respects the document of the former Holy Office is revolutionary and demands a profound transformation of even many sectors of the Church. "The direct conclusion of this profound reflection," says the document, "is the elaboration and the implementation of audacious programs of action in view of the social and economic liberation of millions of men and women, whose condition of economic, social, and political oppression is intolerable." The message is clear.

Western accomplices

by Paolo Serri

After a trial lasting eight months, the Rome court deliberating on the plot to assassinate Pope John Paul II on May 13, 1981, found three Bulgarians and three Turks "not guilty," because of "insufficient evidence." With this verdict on March 29, the almost five-year-old investigation is back to square one, marking a failure not so much for the magistrates and investigators involved in the case, but for the political and intelligence leaderships in the West. In other words, there has not been the political will by Western circles to fully expose the evident Bulgarian and Soviet masterminding of the plot which brought the Turkish murderer Ali Agca to St. Peter's Square in May 1981.

The Rome court acquitted the Bulgarian officials Sergei Antonov, Jelio Vassilev, and Todor Ayvazov (the latter two tried in absentia), as well as the Turkish "Grey Wolves" leader Musa Serdar Celebi and followers Omer Bagci and the fugitive Oral Celik. They were found not guilty of the crime of conspiracy and complicity in the murder attempt against the Pope, "because of lack of proof," an Italian juridical formulation in the cases where doubt persists on the culpability of the defendants. The verdict means that Ali Agca is not the sole actor and that there was an international plot to kill the Pope, but that the circumstantial evidence against the Bulgarians and Turks are not enough to convict them.

The decision came as a surprise to prosecutor Antonio Marini, who had asked for the acquittal of the Bulgarians "for lack of proof," but life sentences for the Turks. Reflecting the failure in pinpointing the Bulgarian connection in court, with its Turkish mafia and right-wing extremist ramifications, Marini said, "Everything is open again. Nothing definite has yet been established; in practice we are back at the starting point."

The problem faced by the magistrates and jurors was that the bulk of the accusations relied on the testimony of papal assailant Ali Agca, who during infinite public interrogatories at the trial undermined his own credibility. With his testimony discredited, the multifaceted circumstantial evidence collected by the Italian investigators could not have sufficed

protect Bulgarians

to convict the defendants. In part, Agca decided to play the "madman" with a mixture of mystical announcements, well-calculated messages to unknown "receivers," and concrete references.

Western complicity

But a deeper and more significant explanation clarifies that the failure at the Rome trial was the lack of political will on the part of Western elites, in really pursuing the Bulgarian—i.e., Soviet intelligence—connection. This lack of political will, at a time when the previous KGB chief, Yuri Andropov, had become the new absolute ruler of Russia, made sure that the various Italian investigations could reach only very limited results. Moreover, some "Western" financial and intelligence circles and interests, which have been cooperating with Russian expansionist and provocative operations all along, have done everything possible to sabotage the Bulgarian connection investigation.

A recent, striking example in this respect came from the current Italian defense minister, Giovanni Spadolini, who, after the terrorist massacres in December 1985 at the Rome and Vienna airports, called on the *Soviets* to join in the fight against international terrorism, stating at the same time that he never believed in the Bulgarian connection. Given that Spadolini, as defense minister, is responsible for the Italian secret services, one can easily deduce what kind of cooperation the magistrates and policemen have gotten in their investigation of the Bulgarian connection.

Another glaring case is Robert M. Gates, recently named deputy director of the U.S. Central Intelligence Agency. Gates has testified twice before the Senate Select Committee on Intelligence that the United States has no evidence of a Russian connection to the attempts on the life of the Pope.

Despite all that, and the failure to produce in court enough definite evidence to pin down the accused Bulgarians and Turks, the investigation and the court procedure proved beyond any possibility of doubt that there was a Bulgarian connection, as well as a KGB-Bulgarian secret services connec-

tion to the Turkish and international drugs-for-arms organized crime networks behind the plot to kill the Pope. Attorney Antonio Marini, representing the Italian State at the trial, proved to everyone in his ten-day summation that the Bulgarian authorities not only did not cooperate in any way in the investigation, but deliberately falsified documents and testimony and sabotaged any attempts to find the truth. Marini emphasized that the exposure of the Bulgarian connection came not only from the investigation preceding this trial, but overlapped with other investigations: namely, the one by the Rome judge Ferdinando Imposimato which led to the arrest to the confessed Bulgarian spy, Luigi Scricciolo, a high-level member of the trade union confederation UIL; and the gargantuan arms-for-drugs investigation carried out by the Trento Judge Carlo Palermo.

Just as the trial was ending, the Italian justice ministry officially stated that the Bulgarian authorities had lied in saying that they had never received any arrest warrant against the Turkish mafia boss resident in Bulgaria, Bekir Celenk. According to Judge Ilario Martella, who led the probe which led to the recent court trial, Celenk was the key personal connection between the Bulgarian secret services, the Turkish mafia, and Ali Agca. Celenk was also wanted by Judge Carlo Palermo as a key figure in the multi-billion-dollar arms-for-drugs trade run through Bulgaria, Turkey, and several Italian regions. On April 1, the Italian justice ministry said that two arrest warrants and extradition requests were channeled to Sofia, with no answer from the Bulgarians. Even worse, when the Rome court decided to formally ask the Bulgarian authorities what was the official, legal status of Celenk in Sofia, where he has been resident for years, the Bulgarians decided to put Celenk on a plane, not to Rome, but to Ankara in Turkey, where he was also wanted, but on lesser charges. Soon after, Celenk died of a timely heart attack in the Turkish prison, albeit after confirming a part of the conspiracy—the Bulgarian secret services' control of the arms-for-drugs trade.

Another person who suffered a strange heart attack in a Milan prison was the Syrian Henry Arsan, identified and arrested by Judge Palermo, as one of the key connections in the arms and drugs trade. With two star witnesses out of the way, with Agca's wisely pretending to be unreliable, and with lack of cooperation or sabotage by most Western intelligence and political factions, the wretched outcome of the Rome trial could hardly have been different.

While the former Balkan Air chief and principal defendant Antonov left for Sofia, Italian newspapers reported that a third investigation of the assassination attempt against the Pope is already under way, conducted by three competent magistrates. While this, with the same political climate, might not lead to the juridical condemnation of the Soviet and Bulgarian masterminding of the murder plot, it may still provoke some chilly embarrassment and surprises for the Soviet's accomplices and friends in the West.

Drug traffickers in bid for political power in Ibero-America

by Valerie Rush

When Honduran drug kingpin José Ramón Matta Ballesteros escaped from a Colombian prison in March only to return home to Honduras where a double homicide charge was awaiting him, he knew exactly what he was doing.

Matta is wanted by U.S. law enforcement as the head of one of Ibero-America's largest drug-smuggling rings and as the reputed mastermind of the kidnap, brutal torture, and murder of Drug Enforcement Administration agent Enrique Camarena in Mexico last year. A U.S. request for his extradition is standing. But "Don José Ramón" isn't worried. Honduras' constitution forbids extradition of nationals, and his lawyer is already predicting that Matta will soon be a free man.

Behind the legal machinations, however, are the dollars that the fabulously wealthy Honduran drug-trafficker brought with him when he "turned himself in" to the Honduran police. Finance Minister Reginaldo Panting was explicit in welcoming "investors" like Matta back to Honduras: "We welcome the dollars that Mr. Matta Ballesteros has brought to invest in Honduras, and if he wants to buy gasoline stations, I will sell him mine. . . . I don't know Matta's economic situation, but if we have an investor who brings dollars, then this will help our balance of payments."

The "free enterprise" mentality expressed by Minister Panting—morally repulsive as it is—should come as no surprise to those familiar with the "open-economy recommendations" of the International Monetary Fund to the austerity-wracked nations of Ibero-America. Or to those familiar with the free-enterprise spoutings of U.S. Nobel Prize-winning "economist" Milton Friedman. In fact, it is the mentality expressed by most of Ibero-America's finance ministers, and—fanatically—by the Reagan administration.

Conflict of interest?

The Matta Ballesteros case points up a gross contradiction in the much-touted war on drugs of the "free marketeering" Reagan administration. While the State Department has been announcing to all who will listen that the Nicaraguan Sandinistas are drug runners, nary a word has been uttered about Matta Ballesteros' outrageous refuge behind the Honduran constitution. After all, as one Colombian journalist

pointed out, "The U.S. needs Matta Ballesteros. Honduras needs the United States."

Could the State Department's silence perhaps have something to do with its earlier collaboration with the former defense minister of Honduras, the Moonie Gen. Gustavo Alvarez, who used a virulent "anti-communist" front to cover for his involvement in the international narcotics trade?

It was universally known at the time that Alvarez was not answerable to then President of Honduras Roberto Suazo Cordoba, but rather to his "controller," the U.S. ambassador from 1981-84, John Negroponte. In 1982, under Alvarez's "strong-man" rule, Honduras was upgraded as a drug center through the consecutive visits of the mafia-sponsored defense minister of Israel at the time, Ariel Sharon, and of the Rev. Sun Myung Moon's right-hand man, Col. Bo Hi Pak.

With Sharon, according to high-level sources, Alvarez struck a secret drugs-for-arms deal which included turning Honduras into a "safe house" for fugitive international traffickers. With Bo Hi Pak, the drug-smuggling apparatus was enhanced through the Confederation of Associations for the Unification of the American Societies, the same CAUSA which had promoted Bolivia's "cocaine generals." Alvarez was inducted into the Moon sect and created a personal cult army within the Honduran armed forces.

Although ousted from power in a bloodless coup in March 1984, the kooky Alvarez continued his dirty operations from exile in Miami. In October 1984, \$10 million worth of cocaine was seized by FBI officials in Miami, along with eight men who proved to be part of an Alvarez-linked assassination plot against then Honduran President Suazo Cordoba. Named as head of the plot was Alvarez's former chief of staff General Bueso-Rosa, then based at the Honduran embassy in Santiago, Chile and an activist in the Moon cult.

Many of Alvarez's collaborators are today back in Honduras—no doubt in league with Matta Ballesteros.

The Colombian angle

Matta Ballesteros' scandalous "escape" from a Colombian maximum-security jail was made possible through deep-seated corruption in the highest echelons of Colombian political life. As he himself describes his "flight" from prison:

At nine in the morning, I shaved, put on a blue suit and red tie, and left. All the doors opened for me. A powerful hand was opening them. At each door, I identified myself with a visitor's card, until I passed through the door to the street. I hailed a taxi and stayed hidden in a house in Bogota for eight days. Then I left by the Dorado airport on a chartered flight for Guatemala, traveled by land across the border to Honduras, and here I am!

Although Colombian Justice Minister Enrique Parejo González fired the national prison director and a half-dozen other prison officials, he himself has acknowledged that the corruption, "frequently financed from abroad," is difficult to defeat.

Matta Ballesteros, married to a Colombian, owns vast properties inside Colombia—including 27 buildings in the capital of Bogotá alone, a dozen or more sprawling country estates, and so on. His money-laundering "investments" in Colombia—as in Honduras—have apparently been welcome. According to the Bogotá daily *El Espectador* of April 7, Matta has pledged to return to "the land I love" as soon as current President Belisario Betancur steps down from office come Aug. 7.

El Espectador notes that other criminal "notables," such as fugitive banker Jaime Michelsen Uribe and master embezzler Roberto Soto Prieto, have also announced plans to return to Colombia—as soon as Betancur leaves the presidency. The editors of *El Espectador* ask why these criminals have such confidence in the next Colombian administration, and demand that the presidential candidates make public their position on the issue of political protection for criminals. Another question to ask is whether the U.S. government will share that confidence in the next Colombian administration?

Enter 'the Godfather'

El Espectador's editors, representing dissident elements within the official Liberal Party, know that whichever of the presidential candidates win this year, he will be sharing power with "the Godfather," former President Alfonso López Michelsen.

López, first cousin of the fugitive banker Jaime Michelsen, whose vast Grancolombiano financial empire was built on the drug bonanza, is a wealthy and powerful political "fixer" in Colombian politics, and a long-time ally of the mob. During his 1974-78 administration, Colombia was converted into a haven for Dope, Inc., with López sponsoring the financial mechanism, exemplified by the infamous "sinister window" at the Central Bank, which enabled the local oligarchs to launder their cut of the billions in marijuana and cocaine sales.

López's reputation as "the Godfather" of the Colombian drug trade lost him his bid for re-election in 1982, despite the millions he spent in "getting out the vote"; the "confessions" of drug czars Carlos Lehder and Pablo Escobar that they had

given hefty contributions to the López campaign apparently did not help that image.

In 1984, following the mafia assassination of Betancur's Justice Minister, Lara Bonilla, López personally met with the fugitive drug kings in their Panama hideout, and then went public with their offer to repatriate their multi-billion dollar fortunes from the drug trade in exchange for a government pardon. In an infamous interview granted to the Colombian press at the time, López personally urged the government to accept the offer, pledging the murderous mafiosi's good faith. In that same interview, López blasted those who incorporate morality into politics, a theme he has returned to frequently in recent times.

The March 9 congressional elections in Colombia, which placed the bulk of López's dirty political machine solidly in control of the Congress, also eliminated from the presidential running the only political tendency which was reasonably clean of the mafia taint: the *Nuevo Liberalismo* followers of Luis Carlos Galán. Now, as a result of the Matta Ballesteros "escape," the sole representative of *Nuevo Liberalismo* in the Betancur cabinet—Justice Minister Enrique Parejo González—is being targeted by the López forces for the same kind of slander treatment that set up his predecessor and friend Lara Bonilla for a mafia hit.

Immediately following the Matta flight from prison, a lower-echelon prison official publicly accused Parejo of "complicity" in the escape and demanded an investigation. The office of Attorney-General Carlos Jiménez Gómez, the man who held unauthorized meetings with the mafia chiefs at the same time as López, followed by opening up an investigation of the minister. The fiercely anti-drug Parejo responded with a public denunciation of the investigation as "arbitrary and totally illegal," and charged the attorney-general's office with consistent sabotage of the war on drugs.

Minister Parejo has repeatedly clashed with Attorney General Jiménez Gómez since taking office in May of 1984. It began when Parejo pointedly "joked" that drug traffickers should be strung up from the nearest lamppost, provoking a wave of hysteria among the mafia-riddled Caribbean coast politicians and juridical "disapproval" from Jiménez. Parejo's faithful defense of the extradition treaty which Lara Bonilla gave his life to uphold has been denounced by Jiménez, who along with the mafia has repeatedly pronounced the treaty "unconstitutional." Parejo's order last year launching a massive—and highly effective—herbicide eradication program against the country's marijuana and coca cultivation was similarly challenged by Jiménez.

Attorney General Jiménez, furious at having his dirty machinations labeled "illegal" and "arbitrary" by his intended victim, fired off a letter to President Betancur demanding retribution against Parejo. The ball is now in Betancur's court, giving the Colombian President a golden opportunity to turn his last four months in office into a blow against those "citizens above suspicion" who have protected the mob from the top.

'It is not the task of physicians to put people to sleep'

Dr. Vilmar, president of the West German Medical Association (Bundesärztekammer) was interviewed in March by Hella Ralfs-Horeis and Barbara Hopf. This interview was translated from the German.

EIR: Dr. Vilmar, you are an emergency surgeon, and since 1978 have been the president of the German Medical Association. You have spoken out a number of times against euthanasia and against Mr. Hackethal [Dr. Julius Hackethal, a leading advocate of euthanasia in Germany, associated with the Society for Humane Death; indicted in January 1986 for the murder of a 69-year-old patient with cyanide—ed.]. Can you tell us something about the fundamental position of your organization on this subject?

Vilmar: The *Bundesärztekammer* is the association of the medical associations of the federal states, and all German doctors are organized in these state medical associations. So, the *Bundesärztekammer* is the umbrella organization, if you want to put it that way. The annual national assembly of the *Bundesärztekammer* is the German Medical Congress, in which 250 delegates of the nearly 200,000 German physicians come together, delegates from the state medical associations, who discuss all of the problems affecting the medical profession.

The German Medical Congress has taken up the problem of euthanasia repeatedly in the last several years, because of the public discussion of it, although one has to distinguish between active and passive euthanasia. The Medical Congress always rejected active euthanasia by a large majority, nearly unanimously, since to end life, to kill someone, completely contradicts the tasks of the physician. It is the task of the physician—and this belongs to the ethical norms of action—to maintain life, to protect it, and to relieve suffering. It is utterly incompatible with this task to give someone a substance which causes death. This is not new knowledge: It is a basic norm of the practice of medicine for 2,500 years, and the prohibition against death is contained in the Hippocratic Oath, in the *Corpus Hippocraticum*. This Hippocratic Oath today is based on the modern form given it by the World

Medical Association at its 1948 General Assembly, and was passed as the Geneva Oath.

There, too, it is stated, that the physician is not permitted to kill human life, rather that he has the obligation, regardless of race, religion, social position, and nationality, to protect health and relieve suffering. And it is from this standpoint that I have publicly represented the position of physicians in Germany, that that which is being loudly called for, which is being done, possibly, by individuals—you already spoke of Mr. Hackethal—is not compatible with physicians' responsibilities.

EIR: In Germany's largest Sunday newspaper, *Bild am Sonntag*, you personally condemned euthanasia in the strongest terms. You said, that once euthanasia is tolerated, we might as well eliminate our pensioners with an injection. What did you mean by that?

Vilmar: If one were to give up the protection of life, one would naturally confront the question rather quickly, who then decides, and according to what criteria, which life is still worth living and which is not. Even this vocabulary calls up memories of the horrors under National Socialism. There, too, it was said, that it is useful to the community of peoples if lives which were not worth living were eliminated, because they were only a burden on others, and only involve more costs.

If you now think over the general tendency of the discussion, then you see that things are once again going in the direction that they were, when abortion at the beginning of life was declared justified, on the grounds that this, too, is an emergency situation, and that there are social reasons for abortion, where the embryo, the child, would not have a reasonable perspective for its life. One can apply the same ideas at the end of life, too, and come up with the idea that people who need constant care, people with calcification of the brain, i.e., arteriosclerosis, who have suffered a loss of personality, no longer have a perspective for life, so that one would be justified in killing them. It is also repeatedly said, that physicians want this prohibition against killing to be

upheld, to be able to earn money on such constant-care cases. But this is a dreadful and senseless idea.

If, on the other hand, one considers that people could possibly come up with the idea, that old people only cost money and don't contribute anything, and then, on the basis of economic and financial calculations, calculate the magnitude of cost-benefit in money for the life expectancy versus the repair-costs, then the whole thing becomes utterly macabre. Then, like with a car, the time could come when you figure out that the repair costs are higher than the life-expectancy, and the car should basically be written off. Just imagine, if that happens to a relative, whether a grandfather, a grandmother, or even a child who is supposed to be treated like an old car. This contradicts the ethical task of physicians.

EIR: Are European associations like the Medical Ethics Commission also discussing euthanasia and the situation in the Netherlands? Can anything be done internationally by physicians' organizations against euthanasia?

Vilmar: The Permanent Committee of Physicians of the European Community is also dealing with this issue, especially with a view to the discussion going on now in the Netherlands. We are going to have to look into this very precisely, and will probably have to hear some more details from our colleagues in the Netherlands about what the position of physicians there is. But we, as the Permanent Committee of Physicians of the EC, will certainly reject—I can say this on the basis of previous discussions—any active legitimization by physicians—either in the sense of justification or in the sense of obligation—of anything that justifies the physician in actively shortening life, i.e., killing. And we hope, that there are such possibilities also in the Netherlands, perhaps through legislative action, because otherwise it would be a break in the dam, and the Dutch should be especially careful about that, because they have a relationship to water, after all, and they know what can happen when a flood breaks loose.

EIR: It is often said, that a person should decide for himself what should become of him, or that one can debate the issue on religious grounds, whether he can or cannot decide.

Vilmar: As far as I am concerned, the person can decide, but he should not expect that his death will be initiated by the physician. That is a very different thing, whether I give a third person the job, or even obligate him to kill. That would push the physician into the role of a "medical hangman," because if someone ends his own life out of desperation, then that is his own decision, and one should try to talk him out of this idea, but it is his very own decision, and he is acting for himself, and doesn't pull anyone else into it. But that is just what would be necessary, were a physician required to do what people demand, that he should give people the same right as animals, to put them to sleep. It is not the task of physicians to put people to sleep.

The free decision of the will is problematic, certainly totally problematic with children. It is also problematic with people who suffer from depressions. They need to be treated, but they do not need to be killed. They need help. And the real question always is, even with people who are psychologically healthy, whether a decision is really one of free will or not, whether or not pressures have an effect, which are not even recognizable by the physician who is supposed to make the decision. There are pressures from the family, the environment, in working life, in the housing community—there is no free decision in such cases.

Free decisions made in days of health can't be carried over to the phase of acute danger to life. One sees this with many people who have unfortunately suffered accidents, who then lead very full lives over a number of years, even with severe handicaps, and are thankful that they can lead such a life. Even among suicides—and this is an immense decision—if the suicide attempt is not successful, they are often happy afterwards that it didn't succeed, and for years afterward have led satisfying lives. For this reason one has to be very sceptical about such "free" decisions.

The remarkable thing about the entire discussion about justifying active euthanasia, the demand that someone be put to sleep, is that again and again, the majority of people say nothing about the sick person himself, but they always talk about the people around them, relatives and other people, who often say, "I, the healthy person, just cannot stand it, watching how he suffers." It is insinuated that the one who is suffering no longer wants to live, although he never says he doesn't want to live. He is the one who most often holds onto life the most strongly. This ought to make people think. Physicians are neither demi-gods nor gods in white, and no one else should feel that they are gods; and dare to judge the value of another life.

EIR: In the proclamation of the Congregation of the Faith of the Catholic Church on euthanasia on this point, it is said that the request for euthanasia, or an attempted suicide, is often precisely a call for help.

Vilmar: It is a cry for help. This is well known in psychiatry. And help is necessary, not to die, but to live.

EIR: Does the German Medical Association work with the churches on the issue of euthanasia? How do you stand on the debate between Zeidler [Wolfgang Zeidler, head of the Federal Constitutional Court, who has attacked the Catholic Church as an obstacle to the introduction of euthanasia into Germany—ed.] and Cardinal Höffner?

Vilmar: Actually, what the highest judge of the Constitutional Court said is totally incomprehensible, that prohibition of active euthanasia is an island of inhumanity—one can only shudder, and presume, in Zeidler's favor, that he just did not think these things through. Had he thought it through, one would have to conclude, that he has a murderous mentality,

and that he believes that one can get rid of problems—no matter what problems, maybe social problems, pension problems, problems of care for the sick, whatever problems there might be—by killing people. But that could not be the view of the highest judge. So I must presume, that he merely has not thought about it enough, which is certainly bad enough for a judge.

The churches obviously have the same point of view as that formulated by the Medical Association, and to that extent there is agreement, without any special forms of cooperation being necessary.

EIR: In the discussion about euthanasia and the health-care system, cost-benefit considerations are continuously introduced. In the U.S.A., where euthanasia has already spread very far, \$70 billion is supposed to be saved in the next five years under the Gramm-Rudman law. The new American health secretary, Otis Bowen, is not only a proponent of patients' living wills, but he also said in 1984 that the last year in the life of an incurably ill person was the most expensive, and therefore patients' wills are very useful. How can such developments be prevented in the Federal Republic of Germany?

Vilmar: In all of the considerations, which have gone through the U.S. papers, about how one can save a lot of money, the thing to fear is, where does it stop? If you look at it that way, then you would have to demand in our discussion here, too, about cutting costs in health care, that only people who are fit to work should be treated, and all others, especially pensioners and the elderly, should not be treated, because the costs are higher than the benefits, from the standpoint of economics. This would be deeply inhuman, because you just cannot express happiness in money. That is why the health-care system can not be considered purely on the basis of costs. It would certainly also be deeply inhuman, to solve the problem of pensions, which is obviously there, by killing. This idea is absolutely perverse.

EIR: What can be done to defend our health-care system, all over the world, against cost-benefit thinking, or the Green propaganda about "equipment medicine."

Vilmar: The same thing I said before also goes if it is demanded, that because of the equipment and the machines, one has to put a limit to inhumanity and loosen up the prohibition against killing. It has to be said again and again, that foregoing medical scientific and technological progress would be deeply inhuman. People who demand what we just leave modern medicine to one side, most of them have no experience of their own. There are many patients who are very happy that many years of life that would have been lost can be opened up for them once again by such medical scientific progress.

In many clinics, one finds that many patients do not want to be shifted back from an intensive-care station to a normal

station, because they have experienced how they were saved one or many times there. So, one has to reduce the fear, so that they begin to trust in themselves and their health once again.

It is of course a different issue, that the physician is not obligated to keep merely the breathing and metabolism of a person going in hopeless cases, in cases of so-called dissociated brain-death, although the brain died long ago. It can be determined when the brain dies: blood no longer flows through it; it no longer shows electric activity; and there are other criteria. Then personal life is irreparably lost. At that point, one can turn off the machines, but then the issue is not one of killing, but merely one of drawing the consequences from a death that has already occurred. That is completely different.

What must always be clearly seen, is that the physician is obviously obligated also to help someone who is dying. That does not mean, that he would be obligated to deploy the entire arsenal of medical science in hopeless cases, because the issue then is no longer that of prolonging life. Then he can forego things, for example, when someone's heart stops, someone who has a diffuse metastatic carcinoma heart, and all other bodily functions have ceased, and now the heart too drops out—in such a case, the physician is not obligated to start the heart up again with a pace-maker or something like that. A physician is also justified in giving a patient suffering from severe pain in the final phase of a terminal disease pain-killers, in order to relieve the pain, even if he must fear, that this will bring death sooner, because it will affect the breathing center. The important and essential difference to active euthanasia consists in the fact, that the physician does not give the pain-killer now in order to kill the patient. That would be active euthanasia.

EIR: What can be done to fight against euthanasia?

Vilmar: If euthanasia is discussed in other countries, and also among us, and where perhaps not only elderly or terminally ill people, but also handicapped people are included in these considerations, then one can only shudder, because that is just the way that euthanasia was made acceptable to the population in the Third Reich. There was a film, *I Accuse*, [made by the Nazis in the early 1940s—ed.] which reduced peoples' inhibitions against killing human life. That was the aim of the film. We all know the results. It led, ultimately, not only to killing of the handicapped and hereditarily ill, but also to the gassing and annihilation of Jews, Gypsies, and many others. It undermined the respect for life, so that the people who did these things—and it surely was not the entire population, many never knew—but those who did these things, they had no sense of injustice any longer. This is what the trials later showed. They simply had no sense of injustice. That would be a horror, to imagine that again today, so that one can only say that, in all possible ways, it has to be stopped at the beginning. *Principiis obsta!*

Brzezinski seeks U.S. pull-out from Europe

by Mark Burdman

It was Vladimir Lenin who made the famous, contemptuous characterization of liberals in the West as "useful fools" for the Bolsheviks: The liberals would help the Bolsheviks undermine the West, and then would be disposed of, on the proverbial "day after" the Soviets had established their world empire.

If the Soviets today were to have a "Useful Fool of the Month" award for the Western elites, they would probably give it, in April 1986, to Trilateral Commission founding-ideologue Zbigniew Brzezinski. In the latest edition of the French quarterly *Politique Internationale*, Jimmy Carter's former National Security Adviser invites the Russians to take over all of Europe, after the United States has "gradually" withdrawn.

The comments come in an interview with Asst. Prof. Jackie Simon of the Institute for French Studies at New York University. Since NYU has, for some years, been under the ideological sway of Prof. McGeorge Bundy, professed head of the U.S. Eastern Liberal Establishment, it can be assumed that Brzezinski's formulations, no matter how lunatic, express a wider consensus among members of this Establishment. This is all the more the case, in an era defined by the computer-dictated budget cuts mandated by the Gramm-Rudman-Hollings legislation, under which U.S. unilateral withdrawal from Europe is an increasing likelihood, with each passing day.

Brzezinski will be making a presentation at the May 17-19 plenary meeting of the Trilateral Commission, in Madrid, Spain, on the subject of East-West relations. What follows might be a preview of what Brzezinski will be proposing, privately, on that occasion.

'Cease American influence'

In answer to a question about the state of Europe, in the context of U.S.-Soviet relations, Brzezinski replied:

The current divisions of Europe are artificial, and the Europeans, as much in the East as in the West, are living with them more and more uncomfortably. This is why, I would like the United States to gradually reduce its commitment in Western Europe, since the enlargement of Europe "from the Atlantic to the Urals," can only take place under the condition that the expansion of American influence toward the East ceases. In a word, the moment has come for the Europeans

to take into their own hands, the destiny of their continent. The U.S., as a democratic country, has no interest in perpetuating a special relation with Western Europe, but the Soviets *do* have that interest with Eastern Europe. Despite those antagonistic goals, I do not think, in historical perspective, that the Soviet Union could succeed in preventing the reintegration of Eastern Europe and Central Europe, in a vast, truly autonomous European community.

Brzezinski, regrettably, is not alone in his musings. Trilateral Commission member Kurt Biedenkopf, who has ambitions to become the chancellor of the Federal Republic, during an end-of-March trip to the United States stated his full support for Brzezinski's ideas, in a private discussion. Trilateral Commission Executive Committee member Horst Ehmke, of the Social Democratic Party, and a friend of Zbig, has been circulating a document on "European Self-Reliance," to various European NATO countries; he recommends a solution identical to Brzezinski's "vast, truly autonomous European community." Privately, Ehmke confides that he regards Zbig as his most-valued interlocutor in the United States.

Biedenkopf and Ehmke, from different political parties, are both poised as vultures, awaiting the collapse of the Kohl government in Bonn, to come to power, and implement their strategic policies.

Matters are made worse by the following fact: During the late 1970s, when Brzezinski was NSC adviser, his favorite "leaker" in the press was *New York Times* special correspondent Richard R. Burt, on whose behalf Brzezinski interceded when Burt was charged with violating national security. Burt, American sources have reported, was known as "the Trilateral Commission's favorite journalist." Today, the same Burt is U.S. ambassador in Bonn, and is working with Biedenkopf, Ehmke, and others in the pack of Brzezinski's "useful fools" in the Federal Republic, to lay out the red carpet for a Soviet takeover of Europe.

Zbig comes to Germany

Brzezinski brought his anti-American message directly to West Germany on April 9-10. On the evening of April 9, he was guest speaker at the Hanover Fair, in West Germany's Lower Saxony state, where intense politicking is going on before the June 15 elections that will likely be decisive for the fate of the Kohl government. Brzezinski was hosted by the NordDeutsche Landesbank, and had a chance to meet Lower Saxony Economics Minister Frau Breuel, a colleague of Biedenkopf.

In an interview with the West German daily *Die Welt* April 11, Brzezinski complained that the Europeans had been acting in a "listless" way, and called upon them to play a "stronger" role in NATO, to "take up a greater share of the global burden, that the United States has assumed since the Second World War."

Anti-LaRouche magazine in Germany gets slapped down by court for lies

Recently, the peculiar journalism that is the trademark of the German weekly magazine *Der Spiegel* suffered a considerable setback.

A suit was filed against the publisher of *Der Spiegel*, Rudolf Augstein & Company, Ltd., by the European Labor Party (EAP) over a four-page article that appeared in the magazine over two years ago, on March 5, 1984, and imputed to the EAP and to Lyndon H. LaRouche, the American politician and the husband of Helga Zepp-LaRouche, the chairman of the EAP, among other things, anti-Semitic statements, "methods such as those of youth sects," "telephone terror," a crude worldview, and connections with radical anti-Semitic or racist organizations such as the Black Muslims, the Liberty Lobby, and the Ku Klux Klan.

On March 6, 1986, a judgment, incorporating a partial judgment by acknowledgement of Feb. 22, 1985, was rendered against the *Spiegel* publishing house of Rudolf Augstein and Company Ltd., enjoining them to cease stating or otherwise disseminating the defamatory remarks against the EAP and against LaRouche. For every case of violation of the judgment, a penalty was threatened of "as much as 500,000 deutschmarks in an individual case"—or imprisonment of "up to six months" (in total, as much as two years).

Additionally, *Der Spiegel* may no longer assert that "Willy Brandt's office manager Klaus-Henning Rosen stated recently in *Bildzeitung*, that 'a systematic disinformation campaign from a Western intelligence agency is being conducted' under the cover of the EAP."

In the view of the Third Civil Division of the Hamburg Regional Superior Court, the "German News Magazine," as *Spiegel* is subtitled, failed to give any proof of the factual assertions of *Spiegel* editor Jörg R. Mettke, former correspondent in East Berlin and specialist in positive reporting on the German Democratic Republic and the Greens:

- As proof for the "crude worldview" of Lyndon La-

Rouche, *Spiegel* claimed it "was to be read" in an *EIR* law-enforcement newsletter, *Spuren und Motive* (LaRouche is the founding editor of *Executive Intelligence Review*), that the Club of Rome, the Anglican Church, and the animal lovers of the World Wildlife Fund were "behind the attack on the Polish Pope." The court could only determine that the assertions attributed to *Spuren und Motive* were simply not there to read. "The statement, that the imputed assertion is to be read in the publication named is not true," according to the Hamburg Regional Superior Court. Mr. Mettke had thus either not read the article at all, or had missed something, namely, the fact that the article referred to by him gives a detailed discussion of the involvement of Eastern intelligence agencies in the assassination attempt on the Pope.

- Concerning Mettke's imputation, "Willy Brandt's office manager Klaus-Henning Rosen asserted recently in *Bild* . . ." the court ruled quite concisely: "The contested assertion is not true according to the defendant's [*Der Spiegel*] own statement." *Der Spiegel* had not even made the attempt to factually support this rumor-mongering from the questionable gossip column written by Count Nayhauss in *Bildzeitung* that was put forward as a quasi-official "statement." The charge of systematic disinformation—on whoever's commission—thus better fits Augstein's own weekly publication.

- *Der Spiegel* had been forbidden in the February 1985 judgement to disseminate absurd defamations such as "The EAP uses methods 'such as youth sects,' urges young people 'to discontinue their professional training or studies,' and keeps youth 'from freely available news media.'" The researchers of *Spiegel* had unfortunately overlooked that Christian Democratic Union politician Irmgard Karwatzki had previously, on May 3, 1985, been legally enjoined to cease making these false and defamatory statements. "The defendant [again, *Der Spiegel*] also did not support the content of

this assertion in the present litigation,” according to the District Superior Court.

- Likewise, in the first court, *Spiegel* was forbidden to assert that followers of LaRouche’s “deployed, using aliases, an intense telephone terror, recruited workers with house visits, and occasionally cast aspersions on those unwilling to cooperate by means absurd insinuations to their bosses.” Since not a single concrete instance could be given for these vehement accusations, *Spiegel* had abandoned this charge in the first trial and had acknowledged the EAP’s demand for an injunction.

Anti-Semitism ‘simply not true’

- Concerning *Spiegel*’s charge, “LaRouche also attacks [Henry] Kissinger occasionally because of his Jewish descent,” with which Mettke intended to support the claimed anti-Semitism, the judges decided quite unequivocally: “The contested statement is not true.” The inept attempt to at least begin to give argumentation floundered miserably. The court did not allow itself to be misled by the “method of textual association” with which *Spiegel*, using the otherwise proven model of most of its exposés, arbitrarily strings together quotes that are as devoid of content as they are of coherence, and where, additionally, the source of the statements remains a mystery. Also, the Superior District Court rejected the *Spiegel*’s evidence. Jörg Mettke himself was called as a witness, and claimed to have heard from a third party, otherwise not described, whose identity or even existence will probably never be revealed, how LaRouche—concerning the when and where, of course, no information was given—was said to have made the remark ascribed to him.

The summery judgment of the court concerning this inept attempt at proof: “This report is not sufficient,” and yields “nothing tangible.”

Newspaper articles are not fact

- The treatment of the major lie, that LaRouche occasionally “consorted . . . with Black Muslims, the anti-Semitic Liberty Lobby, the racist Ku-Klux-Klan or with all together,” was quite shameful. Here, *Spiegel* did introduce extensive written material, but on closer examination these proved to be merely articles that were equally wild and inflammatory, whose fanciful offerings Mettke had obviously used without discrimination. That sort of “offering of proof” was judged with annihilating clarity by the Superior District Court: “The defendant [*Spiegel*] supports itself in this litigation not on concrete facts, but on sources that make similarly situated accusations that are equally unsubstantiated. . . . That is not sufficient. . . . The defendant has otherwise not proven that it has exercised its duty of journalistic conscientiousness. The burden of proof therefore still lies with it. The quotes do not furnish the proof.”

The present judgment was issued almost exactly two years after the publication of the contested article in *Spiegel* on March 5, 1984. It is revealing to look back at the situation at

that time. In March 1984, one year after President Ronald Reagan’s historic announcement of an American beam weapon program (the Strategic Defense Initiative), it had become clear to *Spiegel* and other similarly inclined circles what a decisive influence LaRouche and the Fusion Energy Foundation (FEF) co-founded by LaRouche had had on the initiation and working out of this military program. One entire page of the *Spiegel* article in question was therefore concerned with the reputation that FEF scientists have in university and specialists’ circles. Uneasily, Mettke stated then: “Nevertheless, the fusion propogandists have no lack of acceptance from the academic profession.” In addition, he appealed to his journalistic colleague Mathias Schulenburg of the German radio Westdeutschen Rundfunk (WDR), who had made the same complaint, and had smelled behind the successful FEF work a sinister LaRouche conspiracy and an attempt by LaRouche to get an nuclear bomb of his own. After the Hamburg Superior District judgment, Mettke once again has something in common with Schulenburg: Previously, on June 25, 1985, the Cologne Superior District Court had ruled that the WDR cease making a series of charges made against the EAP in the broadcast in question.

Another aspect of the 1984 *Spiegel* piece evokes smiles today. Mettke gloated over LaRouche’s political influence at that time, saying that Larouche was supported merely by a “politically insignificant ‘National Democratic Policy Committee’ (NDPC).” Since the sensational electoral victory of the NDPC candidates in the state of Illinois, *Spiegel* is again given the lie.

The one flaw in the District Superior Court’s ruling in the *EAP v. Der Spiegel* case is the explanations of those statements that the Third Civil Court considered as “fair statements of opinion” or as cautious acceptance of utterance of third parties, and therefore, in both cases, as protected by the German fundamental law on freedom of speech. Thus, the judges deliberately avoided comment on the rightness or wrongness of the insults that *Spiegel* had written, arguing that a political party such as the EAP must “tolerate fundamentally sharp and even polemical criticisms. That would even be valid if those sorts of statements would contribute nothing to a suitable formation of opinion,” or if the “evaluation” rested on a “subjective, possibly biased view of the defendant.”

It is interesting that *Spiegel* is not prepared to give the wide room for tolerance conceded by the judgment in regard to criticism of its own magazine. When the counsel for the EAP reprimanded the underhanded trial proceedings of *Spiegel*, in attempting to give a totally opposite interpretation to the meaning to a quote whose source had not even been identified, the *Spiegel* spokesman made a veiled threat of bringing charges against the EAP lawyer. The *Spiegel* lawyer reacted in a similarly uncontrolled manner when the London trial of *Spiegel v. Goldsmith* was referred to. Sir James Goldsmith had reproached the magazine, with, among other things, “KGB propaganda techniques.”

An anti-NATO chancellor for Bonn?

The Social Democratic Party's candidate, Johannes Rau, is playing a double game.

The German Social Democratic Party (SPD) is preparing itself to take power in Bonn after the January 1987 elections for national parliament (Bundestag). Capitalizing on the programmatic and organizational weakness of Chancellor Helmut Kohl's ruling Christian Democrats, Johannes Rau, the SPD's chancellor candidate, is convinced he can win. The next government, Rau hopes, will be run by the Social Democrats.

The media here have already run coverage of Rau's shadow cabinet. The names circulated indicate that Rau is going for a straight anti-NATO ticket. According to internal SPD sources, the appointee for minister of defense in the desired Rau cabinet would be Andreas von Bülow. He is the author of the notorious "Bülow Theses" of November 1985, which advocated a far-reaching demilitarization of Germany and the withdrawal of all U.S. troops, equipment, and missiles from the Federal Republic.

Bülow, undersecretary in the defense ministry under former Chancellor Helmut Schmidt, is the head of the official party commission on defense policy, which was established at the 1984 SPD convention in Essen. The Bülow commission was given the mandate to work out "alternatives to current NATO policy."

This is exactly what Andreas von Bülow did, when he presented his paper in November 1985. He called for replacing NATO's deterrence doctrine with a set of treaties with the

Soviets, all of which would be combined in what he called "security partnership"—which amounts to moving West Germany into the Soviet sphere of influence. The armed forces of West Germany, wrote Bülow, should be replaced by a less heavily armed militia, and Germany as a whole should become the center of a Central European zone free of all nuclear, chemical, and biological weapons.

Seen against the background of the SPD's general anti-Americanism, it was clear that Bülow meant primarily U.S. weapons when he spoke of withdrawal from Central Europe. His theses have been endorsed by many of the SPD's party sections. Some of the party's prominent figures, such as ultra-leftist Oskar Lafontaine, have already speculated publicly about a German withdrawal from NATO.

Johannes Rau himself, especially during his recent U.S. trip, has denied that Bülow's policy will be his own campaign platform for 1987. Rau tried to create the impression that the SPD's position is still as much in favor of NATO membership as under Chancellor Helmut Schmidt. But Rau does not define policy in the SPD; the "decouplers" around party chairman Willy Brandt set the themes for their chancellor candidate. Rau therefore is playing a double game. He wants to make the pro-defense majority in West Germany and NATO believe he is their best choice, while his party plans the dismantling of defense and an exit from NATO.

The same double game is played on the issue of the Green Party. The official line coming from the SPD's headquarters is that a coalition with the Greens is out of the question. Irony has it that party chairman Willy Brandt refers to the anti-defense sentiment among the Greens as the main obstacle to such a coalition. The SPD, however, is changing its position to the Greens on Brandt's personal promotion.

Rau, for his part, has maintained the line—for the public—that he rules out a coalition with the Greens. Sometimes, however, during trips abroad, this pose is dropped. This is what happened during Rau's recent trip to Israel, which was intended to build his image among the Jewish community in the United States—via Israel.

Meeting Knesset President Ben Dov Meir, Rau was asked about his view on the Greens. There is a strong sentiment against the neo-Nazi Greens in Israel, because of their alliance with the radical Arabs and the extremist currents in the Palestinian movement. Rau told Meir he would rather ally with any other political party in Germany than the Greens. Rau rejected any form of coalition with the Greens.

The Israelis took Rau at his word, and the media ran headlines on his remarks to Meir. This kind of public relations, however, was not what Rau's campaign staff had in mind, and a denial that he had ever rejected the Greens as a potential partner was issued immediately.

This is exemplary of Rau's two-faced posture. Why would he publicly deny he said what he had just clearly said? The first statement was his personal politicking. The denial came from the party, which is now intervening in the internal debate in the Green Party, to shift the balance towards a pro-SPD orientation.

The premier's first visit to Moscow

Carlsson's travel policy hasn't quieted Swedish officers, nor has it changed Soviet military intentions toward Sweden.

Following in the footsteps of his slain predecessor, Swedish Premier Ingvar Carlsson's mid-April trip to Moscow will make him the first Western leader to visit the Kremlin since the 27th Congress of the Soviet Communist Party. But Carlsson's desire to be accommodating isn't earning him any visible tokens of gratitude from Moscow.

Before Carlsson's departure, Soviet foreign ministry spokesman Vladimir Lomeiko summoned journalists for a briefing on April 8. He announced that Moscow has cancelled its offer to withdraw select nuclear missiles from the Baltic Sea prior to Scandinavian creation of a nuclear-free zone, despite previous offers to "thin out" its estimated 1,000 warheads in the region as an inducement to the Scandinavian countries.

Lomeiko's rude slap in the face of Swedish "useful fools" occurred one day after Carlsson, on a visit to Helsinki, Finland, had reiterated the great hopes placed by his government on creating a nuclear-free zone.

In his dinner speech to an audience including Finnish Social Democratic Premier Kalevi Sorsa, Carlsson stated his "support of the proposal for a nuclear-free zone in the Nordic countries, which seems to gain ever stronger popular support and which completely coincides with our own security interests. I know that our two governments are both ready to go on working trying to realize the idea of a zone.

"I am anxious on this occasion to

reassure the government of Finland," Carlsson urged, really addressing Finland's growling neighbor to the East, "that it also in the future can count on Sweden in the work for peace and détente."

One day after Lomeiko's ungrateful rebuff, a meeting of Nordic foreign ministers ended in failure, as Norwegian Foreign Minister Svann Stray made it clear that a nuclear-free zone would be unacceptable to Norway.

After a few weeks of relative silence after the murder of Olof Palme, which all but paralyzed Swedish society, military officers have resumed their warnings of the Soviet threat.

During the week before Easter, the chief of the Swedish Air Force, Lt.-Gen. Sven-Olof Olson, called for adding 50 new *Viggen* jet-fighters to the Air Force, noting that while Sweden has cut its Air Force in half since the early 1970s, the Soviets have increased their air power in the region from 100 to 1,000 jet-fighters.

In an interview published by the mass circulation Gothenburg tabloid *GT* on March 30, Navy Commander Hans von Hofsten warned of a Soviet surprise strike against Sweden. Last year, Hofsten became the spokesman of an "officers' revolt" within the Navy, attacking Palme's appeasement of Moscow.

Hofsten, until recently the commander of the destroyer *Halland*, today is based at the Stockholm Navy Staff. In his interview: 1) The aggressor is mentioned by name; it is the Soviet Union. 2) He warns that Swe-

den is to be conquered by complete surprise, and that 3) such a blitz attack can come at any time, not only when the world situation already has aggravated to the point of general war.

Hofsten outlines the following hypothetical scenario:

"During Christmas night, the aggressor strikes. A night during which Sweden is asleep, the common Swedes, happy and bloated, are resting after the sweetmeats of the Christmas dinner-table. . . . Then the frogmen enter our shores, coming from submarines and small landing vessels, with the task of rapidly striking, protected by the darkness, against vital functions of society.

"Just before the early church service on Christmas morning, Sweden will be plunged into darkness and all information to the people blacked out. Yet a few hours will pass before we realize what the cause is of the electricity black-out and the silence of the radio.

"How else do you conquer a country which can mobilize 850,000 troops? An impressive army, the Swedish forces are actually twice as large as the complete U.S. forces in Central Europe today.

"It was regarded as militarily absurd for Japan to strike against Pearl Harbor. Yet the attack occurred. And nobody had expected that the Soviets, during Christmas holidays, would invade Afghanistan.

"One must not get blinded by the military situation of yesterday. Just take a look at the map to realize why: At Murmansk, the Russians have built up the world's largest naval base, and there is nothing to defend up there. Their Northern Fleet is offensive, but NATO could stop it from bases on Iceland and Norway. The Russians, therefore, have to take Norway rapidly in a war—and the simplest path is passing through us."

Syria: from food shortages to war?

Historic fervor and empty stomachs can make for an explosive mixture.

Although it was never officially confirmed, Syrian President Hafez al Assad made a secret visit to the Soviet Union on March 27 for emergency consultations with Soviet leaders including Mikhail Gorbachov. The visit occurred while Algerian President Chadli Benjedid was concluding his three-day official visit to the Soviet Union—the first since 1981—which may indicate that the situation in the Maghreb and the American-Libyan confrontation in the Gulf of Sidra were discussed.

However, Assad arrived with an empty stomach, as they say: Syria's economic crisis was reportedly at the center of discussions, which also reviewed the present level of military tension between Israel and Syria around the Golan Heights.

Of the many Middle Eastern countries hit by the collapse of the oil price, Syria is on the front line, and on the verge of a total economic breakdown. For the same reasons that Assad flew to Moscow on March 27, Damascus had invited Bavarian Prime Minister Franz-Josef Strauss for 48 hours on March 22 to discuss West German and Bavarian economic and industrial investments in a country whose foreign currency reserves, according to Strauss, have reached the bottom figure of \$50 million.

The economic assistance generally extended to Syria by the Gulf countries fell with the oil price. From a level of \$2-3 billion a year, this assistance may fall as low as \$570 million this year. Political blackmail or the

threat of deploying Syrian-sponsored terrorists against the Gulf countries, as has been done in the past, may bring a few hundred million more in aid, but these countries are broke. Even Syria's ability to blackmail them is going fast. For purely economic reasons, a large part of the 400,000 Syrian workers in the Gulf—many of whom work for Syrian intelligence—are expected to be laid off, just as tens of thousands of Palestinians, Jordanians, and Egyptian workers are being laid off.

The consequences have been felt within Syria. No less than 25% of the active labor force are employed in state security, be it the intelligence forces and their various militias, the national and local police, or the 450,000-man army permanently maintained in a state of war. Many of these soldiers may be able to feed themselves off the local population, especially the army of occupation in Lebanon, but they represent an economic burden that Damascus cannot afford much longer, especially as the officers and NCOs are supposed to receive special treatment in housing and food supplies.

In Syria, military service lasts three years, and no Syrian is allowed to leave the country for at least five years after his service, since he may be repeatedly called back for maneuvers. Notwithstanding, Damascus is going ahead with a plan to build its army up to 1 million.

The economic crisis is being dealt with along the lines of sectarian division of the country: The Alawites are first to be served, then comes the back-

bone of the regime, the intelligence services and the army. The rest of the population, as well as Syria's other religious minorities, are last to be served. According to witnesses recently in Damascus, people queue up for basic food stuffs some six hours a day. Meanwhile, Syria's precarious industries are barely surviving power outages between 8:00 and 10:00 a.m. and 3:00 and 5:00 p.m.

Political discontent is not immediately visible. There are more than 50,000 political prisoners in Syrian jails, and that's enough of a deterrent to quell the dissatisfaction of the larger part of the population. However, opposition seems to be taking another form. *Le Figaro* reported on April 10 that Damascus's old rival city of Aleppo may be coming out the winner. While Damascus bows under shortages of all kinds and a permanent state of martial law, Aleppo, which is considered a secondary town by the Alawites, is enjoying a freedom which is attracting business. The Aleppan bourgeoisie always enjoyed a status equal to that of Cairo or Istanbul, but was badly hit during the 1980 Alawite drive against the Muslim Brotherhood. But Aleppo's ancient elite may prove once again to be more lasting than the nouveau riche of Damascus.

Assad prefers to see himself as the spiritual reincarnation of Mameluk leader Saladin. Saladin was no Alawite, but Assad's philosophy on the transmigration of the soul doesn't bother with such details. Next year is the 800th anniversary of Saladin's victory over the crusaders, and, for Assad, the modern crusaders to be defeated are the Israelis. According to the Pentagon's Richard Pipes in Jerusalem April 3, "It is not clear how much control Gorbachov has over Syria."

Historical fervor and empty stomachs make an explosive mixture.

Giant pipeline project gets go-ahead

After more than a year of tussling, a Franco-Japanese consortium has won the coveted contract.

The week of April 7 in the Lok Sabha, the parliament of India, Minister for Petroleum and Natural Gas Chandrashekhar Singh announced that the government had awarded the contract for one of the world's largest underground gas pipelines—the 1,730 kilometer high-pressure pipeline from India's west coast to several centers in the northern and central states.

The \$700 million turnkey project was won by a consortium led by Spie-Capag of France, and including Nippon Kokan (NKK) and the Toyo Engineering firm of Japan. Single-point responsibility for execution of the project has been fixed with Spie-Capag. The 36-inch-diameter pipe will be procured separately on the basis of tenders already invited by the Gas Authority of India, Ltd. (GAIL) and Engineers India, Ltd. (EIL), two government units that are owners and chief consultants for the project, respectively. The rest of the components and the construction of the pipeline are in the hands of the Franco-Japanese consortium.

The large project's total cost was estimated at \$1.7 billion at its inception in 1984. It is designed to transport the gas from off-shore oilfields that have been developed on India's west coast to seed a string of six gas-based fertilizer plants, three power stations, and other industrial users in the north-central heartland of the country. The giant pipeline will cross 14 river beds.

According to the original schedule, a fertilizer plant being built at Bijapur in Madhya Pradesh would be the

first to receive gas through the pipeline in March 1987, and the entire project would be completed by 1990.

Completion of the fertilizer plant will cut a big chunk out of India's large import bill; last year nearly \$300 million in foreign exchange was spent on fertilizer imports, double the amount of the previous year. With the current push to raise farm productivity, demand for fertilizer can be expected to continue rising dramatically.

Some time has undoubtedly been lost as the project was mired in controversy and faction-fighting for the past year or so when the government's decision to solicit international bids to undertake the project on a turnkey basis met with resistance from the bureaucracy. The opposition was based on the allegation that a turnkey job would necessarily compound the cost and time factors and that it would prevent maximum use of indigenous capabilities. These arguments were capped by the assertion that former Prime Minister Indira Gandhi had agreed, and, as a result, taken a decision to keep the project in the hands of GAIL/EIL for execution.

The efforts to get a "self-reliant" bandwagon rolling to block international tenders for a turnkey project ultimately failed, but not before the issue was aired in several successive parliamentary sessions and much mud was slung. Some insinuated that Rajiv Gandhi was slighting his mother's policies and government procedure under the influence of his wife and her friends in one of the Italian multina-

tionals, Snamprogetti, that showed interest in the project and had already beat out C. S. Brown and its Indian partner, Protos Engineering, for lucrative contracts for four of the fertilizer plants.

The cabinet held firm to their convictions that the best interest of the country would be served by engaging only one contractor for the pipeline, and centralizing responsibilities with him for the coordination, execution, and commissioning of the project. It was never intended, government spokesmen pointed out, that GAIL and EIL would actually construct the pipeline; contractors would have been engaged in any event, but in the alternative plan, on a piecemeal basis for each of the six parts of the project.

Besides Snamprogetti and Spie-Capag, Condux of Mexico and the Nova Corporation of Canada presented bids for the pipeline. In March, the government asked all four to make fresh offers, specifying minimum price and indicating accompanying credit and loan terms. Cacag came in with the lowest figure, and the government says it will be able to save more than \$100 million in foreign exchange at current rates.

Moreover, the indigenous content of the project will be high, as specifically mandated by the government. Both private and public sector Indian firms, such as Telecommunications Consultants of India, Ltd., Hindustan Aeronautics Limited, Ltd., Bharat Heavy Electrical, Ltd., and Larson and Toubro, Ltd., will participate in crucial chunks of the work. In particular, the Indian companies will be involved in establishing the telecommunications and supervisory systems, establishing a cathodic protection system for the pipe, as well as the wrapping, coating, and laying of the line itself.

International Intelligence

Pilots ask boycott of terrorist nations

Syria, Iran, and Libya should be boycotted by airlines, say representatives of the International Aviation Pilot Association.

The IAPA met on April 10 in London, to consider several measures of retaliation against air piracy and to review security procedures on aircraft in light of the April 2 bombing of TWA flight 840. Four Americans died in the atrocity.

French and American pilots are urging that these three countries be boycotted, "though others may be on the list, too," said a spokesman.

'Lara Bonilla pact' to be signed

The "Rodrigo Lara Bonilla Pact" against narcotics traffic will be signed April 30 by all five members of the Andean Pact (Peru, Colombia, Bolivia, Ecuador, Venezuela) as well as Brazil.

The pact, proposed by Peruvian President Alan García last year, commits members to change their laws to provide for full mutual cooperation in the war on drugs.

Colombian Vice-Minister of the Interior Nazly Lozano Eljure, who made the announcement, emphasized, "It is an open agreement, so that other countries interested in the fight against this plague can join."

Demonstrations in South Korea

According to a report in the French daily *Le Monde*, the city of Taegu, South Korea was the scene of mass demonstrations April 5 by opponents of the South Korean Constitution, which is modeled on the American Constitution. Taegu was the site of the demonstrations in 1960 which brought down the regime of Syngman Rhee.

Taegu is a bastion of the Catholic Church,

although its archbishop is not a supporter of the opposition. The opposition here likes to compare itself and its situation to the Philippines, and speaks of "war between justice and the devil." It is pushing boycotts of certain government institutions like KBS television. It also has the support of the same "human rights" mafia and State Department personnel in the United States that overthrew the President of the Philippines, Ferdinand Marcos.

The National Council of Churches, which includes six Protestant churches, began the boycott. On March 9, South Korea's Cardinal Kim announced his support for the opposition; the leaders of the Protestant churches followed a week later. By the end of the month, 1,000 pastors and 300 priests (out of 1,000 in South Korea) had signed an opposition petition.

Members of the government party, the DJP, criticized Cardinal Kim for his stand. Catholic deputy Kim Hyun Uk said: "I do not think it is the role of the Church to play politics," and said that to revise the Constitution under the current military pressure from North Korea would create "disastrous" instability.

Network of 'The Trust' uncovered in Spain

The early April issue of the Spanish weekly *Cambio 16* carries an unprecedented exposé of Spanish financiers and businessmen who work for the Soviet KGB. Such ties between the Soviet state and Western financial interests, typified by oil magnate Armand Hammer who grew wealthy on Soviet trade concessions from the time of Lenin, have gone under the generic name of "The Trust."

Most prominently featured in the Spanish case is Juan Garrigues Walker, who was personally introduced to Mikhail Gorbachov in 1974 by Soviet writer and KGB agent Julian Semyonov. In 1977, he paid approximately \$161,000 to Spanish newspapers including *Diario 16* and *El Pais*, for them to run coverage favorable to the U.S.S.R. and hostile to Spain joining NATO.

Juan Garrigues Walker died in a car "accident" the day after the publication of the *Cambio 16* exposé.

His brother is Antonio Garrigues Walker, a personal friend of Henry Kissinger and the leading member of David Rockefeller's Trilateral Commission in Spain.

Two KGB agents expelled from Spain in 1981, Vladimir Polozov and Tatiana Polozova, had been in Spain under Garrigues Walker's protection.

Cambio 16 also names the Grupo Juan March as the biggest financial power in trade between Spain and Moscow. Juan Garrigues Walker was merely the agent of the March family interests. The family holding company, EPYR, last year mediated ca. \$81,000,000 pesetas worth of steel and machinery exports into the Soviet Union from Spanish industries. Juan March was one of the most important financial powers behind the late dictator of Spain, Francisco Franco, and is prominent in the Trilateral Commission.

Others named include Eduardo Barreiros, an industrialist who smuggles Western technology to the Soviet Union. Barreiros, was known for decades as "Franco's diesel" because of his close political association with the "Generalísimo." He built Cuba's diesel-engine factory, and ships technologies to Cuba as "spare parts," which then end up in Moscow.

Dutch doctors slam euthanasia lobby

In early March, the Dutch League of Doctors Who Respect Human Life issued a statement just obtained by *EIR* on efforts in the parliament of Holland to legalize the Nazi practice of euthanasia. The statement reads in part:

"The Universal Declaration of Human Rights, adopted by all Member States of the United Nations on Dec. 10, 1948, begins by stating that each human has a dignity which is inherent in his being human, that all men have equal and inalienable rights. . . . Of these rights which are inalienable, the *right*

to life is mentioned first. . . ."

The statement notes that the Dutch government is a signatory to a specific "European Convention" of 1950 which states, "Everyone's right to life shall be protected by law."

" . . . During the last World War, doctors violated their professional ethics by assisting in the killing of psychiatric patients in gas chambers. . . . Medical ethics was first expressed in the Hippocratic Oath, around the year 425 B.C. In this oath, the doctor swears never to commit abortion or euthanasia, even when requested to do so by the patient himself. This oath was translated into modern language as the 1950 Declaration of Geneva. . . ."

" . . . A leading article in the September 1970 issue of *California Medicine*, the official journal of The Californian Medical Association, [stated] that Medical Ethics can no longer maintain the idea of the intrinsic worth and equal value of every human life, because overpopulation is threatening. . . ."

" . . . We warn that, if euthanasia is made permissible, we will reach a type of society which closely resembles the tyranny we have fought with great sacrifice during the last world war. . . ."

"But above all, we want to warn that it is perilously dangerous to put the qualification to heal and the qualification to kill into the same hands. . . . It is unacceptable that a group of 30,000 Dutch doctors, whose training has been aimed at healing, should suddenly become qualified to kill people intentionally."

Marcos accuses U.S. of overthrowing him

Exiled Philippines President Ferdinand Marcos, on ABC-TV's "Nightline" April 4, accused the United States of aiding and abetting the rebels who overthrew him, saying that the United States threatened to send in the Marines if he used force against the rebels.

It was the first time Marcos has publicly accused the United States of helping to over-

throw him, although associates of Marcos had previously indicated that he believed Washington had betrayed him.

Marcos said that on Feb. 25, he received a message from the duty officer at the U.S. embassy, which said the White House and U.S. Ambassador Stephen Bosworth were concerned about violence during the political crisis. The message said in part, "Should violence continue, the U.S. Marines stationed here may be fielded out to prevent a slaughter."

Marcos also revealed that Ronald Reagan refused to return his eleventh-hour phone calls, and said he had no success getting George Shultz on the phone either. Marcos is no longer under the protection of the American Secret Service, and now has private guards protecting his beachfront house in Honolulu, secret-service spokesman Jack Taylor announced on April 7.

Moscow threatens Bonn on SDI agreement

The outgoing Soviet ambassador to West Germany, Vladimir Semyonov, delivered an official protest to Foreign Minister Hans-Dietrich Genscher April 4 against the recent agreement on German participation in the American Strategic Defense Initiative.

Semyonov warned that the agreement would "not remain without consequences for relations between Bonn and Moscow," and that the agreement made Germany a partner in the "Star Wars" doctrine of the United States, thus constituting a "serious threat to the security interests of the Soviet Union."

German Economics Minister Martin Bangemann also received Soviet warnings during the meeting of the German-Soviet Economic Commission, which met recently in Moscow. Deputy Prime Minister Alexei Antonov, the Soviet delegation leader, charged Bonn with having "pursued a policy between the past two meetings that cannot be termed positive." German hopes of signing multi-billion-dollar industrial contracts for German industry were disappointed.

Briefly

● **EUROPEAN LABOR PARTY** (POE) spokesmen in Italy, denouncing what they called "message-journalism," issued a warning on April 11 to the publisher and editors of Italy's *Europeo* weekly that they will be held personally responsible for any physical attacks on POE members or offices. *Europeo* had just published a regurgitation of drug-lobby lies about U.S. presidential candidate Lyndon LaRouche, identifying the POE as his supporters, and giving the location of offices and organizing sites.

● **'CLEAR MEASURES'** will be taken to deter terrorists, Defense Secretary Caspar Weinberger told reporters April 11 in Canberra, Australia. Calling terrorism "a new form of state-sponsored international warfare," Weinberger stated, "We also have to have a way of showing that terrorism is not a useful or effective means of attack. What we seek to do is to take measures which will make it clear to any country which relies on terrorism that it is not a profitable policy to pursue."

● **MUAMMAR QADDAFI** is linked by "indisputable evidence" to the bombing of a Berlin discotheque that killed two people, one a U.S. serviceman, on April 5, NATO Commander Gen. Bernard Rogers told an Atlanta audience April 11. He also reported: "We were about 15 minutes too late" in warning the servicemen of the bomb. Rogers said that two Libyans recently expelled from France by the Chirac government had been part of a conspiracy to "terrorize" the U.S. Ambassador to Paris Joe Rodgers.

● **BENEDICTINE** leader Mons. Rembert Weakland responded to a question about Peru's President Alan García at a press conference in Milan April 11 that he plans to discuss the "Peru problem" in Miami in meetings with Central and South American bishops. García has limited foreign debt payments to 10% of foreign exchange earnings, and is organizing for similar action by other debtors.

Lyndon LaRouche tackles the drug lobby's media

The following presentation was made by Lyndon LaRouche before a packed audience at the National Press Club in Washington, D.C. on April 9. Following the full text of the opening remarks are excerpts from the question and answer period.

I will make remarks on three areas and some general comment on the inter-relationship of the three areas, particularly as it bears upon the profession of those represented here today.

The constituency that voted for the candidates in Illinois was composed primarily of three groups, which are the hard core of a section of our population which we might call "the forgotten majority." These were farmers, of whom 50% probably will go out of business within the coming period, under present policies. These represent what might be called fairly "blue-collar households." These also include prominently 70% of the black vote of Cook County, which voted for the candidates, against the party ticket and against the news media.

The characteristic of these voters is that they don't believe in Washington; they don't believe in the party leadership; if they're blue-collar trade-union members, they don't believe in the national AFL-CIO leadership. As a matter of fact, on the local level, union officials are being elected *out* of office, simply because they are incumbents, because of the hatred of the AFL-CIO leadership by the average trade-union member in this country, particularly in the industrial unions. And now, with the effects of Gramm-Rudman, we're going to see similar rage among the so-called municipal unions, which have been more leftist and softer on this question.

When they are told by the President, by Donald Regan—and this is echoed by the press—that we have been in a Great National Economic Recovery, the great and mysterious and wonderful and all-consuming Reagan Economic Recovery—

since the end of 1982, these people use four letter words. Because their experience tells them that if there is a recovery, it didn't happen to them, and it didn't happen any place they can see it. And they will say, maybe those people in the country club set have seen a recovery or are experiencing one. Maybe the yuppies are undergoing recovery. Maybe the yuppies think there's a recovery going on, because they'll believe anything. But *we* do not experience a recovery. Our industrial plant is closing down. Our farm is closing down. Our debt-service rates are closing down. Our banks are closing down. And these idiots say there's a recovery going on.

They don't believe you!

Well, take the case of the Illinois press. The Democratic Party ran bullet operations to try to knock out two or three candidates we'd endorsed, including Sheila Jones, who was the candidate in Chicago. They pretended otherwise, even though they'd been warned by J. Michael McKeon, that my slate was going to win in the Democratic ticket. They ignored the heel-and-toe coverage. They said, "Well, he's a Nazi; he's an anti-Semite; he's a this or he's a that." And they thought that was good enough.

Then the voters surprised them. They ignored the party bosses. They ignored the news media. And they voted in two candidates, with strong support for other candidates on the same slate. And the news media said, "How did it happen?"

You're going to get the impression that somebody goes out in Illinois, to a bunch of voters, and says, "Do you know he's a Nazi?" "No." "Do you know he's an anti-Semite?" "No." "See? Nobody knew who they were voting for!"

The news media begin to believe their own lies, lies which originated with the drug lobby. Let me give you a concrete example: Chip Berlet, drug lobby, *High Times*; Dennis King, drug lobby; a group around the ADL, around Suall and company, drug lobby; Mark Nykanen of NBC,



NSIPS/Stuart Lewis

Candidate LaRouche, at the National Press Club April 9, 1986.

drug lobby—his background, before he went to NBC and since he's been with NBC.

These lies—"Nazi," "anti-Semite," and so forth and so on—repeated by the news media, have intoxicated the news media into believing its own lies, and trying to explain how the voters would behave in response to a person as characterized by these lies.

But the voters don't believe you. They don't believe the news media. They trust their own experience. They trust what they see, they trust what they read—not too much. They're leery; they're cautious; they've had too many scams coming up to their front door. They don't trust anything too quickly. But these voters, who have been voting for my slates around the country over the past several years—15 to 35% of the vote, or sometimes higher—a consistent pattern among farmers, blue-collar households, black households—the family households, not the radicals, like the Farrakhans—but the normal religious black families, and scientifically oriented professionals and a few entrepreneurs.

That has been consistent. Michael McKeon indicated it was consistent. Anyone in the news media who wanted to know it, could have put the facts together. It was there. And it's going to stay there, and it's going to grow. You cannot put the genie back in the bottle. The voters who picked me as

their representative, looked at me as the guy who's going to stick it to them in Washington, in a manner not much different from the Wallace phenomenon some years ago. They want me to stick it to Washington. That's what the voters want. The unrepresented majority; the forgotten majority. It's going to grow.

Oh, there will be tricks. They're going to try desperation tactics in the state of Maryland to try to keep the slate from carrying there—every dirty trick in the book. And it's begun to surface in the news media with these rigged polls that try to prove that the candidates they're trying to knock out as the frontrunners don't exist. And then if one of them is elected in Maryland, boy, you're going to hear them scream, "How could they do that? They didn't exist. How could they win the election?" Ohio is a contested state. Texas is a contested state.

The economic collapse

Take the states of Texas, Louisiana, and Oklahoma. We're now on the verge of a collapse of the U.S. commercial banking system. There was a meeting, as many of you know, last month in Basel, of Swiss bankers who pointed to the fact that the U.S. commercial banking system is bankrupt, despite what Donald Regan says. There is about \$1.2 trillion of off-balance-sheet lending in the banking system. There is about a 2.5 to 1 ratio of current liabilities to current assets in our commercial banking system.

Real estate values, particularly those linked to agriculture, are collapsing. Land prices are collapsing, outside of a few speculative project areas. In Louisiana, Oklahoma, Texas, and other states, but those states in particular, the oil business is collapsing. Now the oil business is linked to agriculture in many ways. But the institutions in those states which lend to the one are lending to the other, without going into the details of the matter.

If the United States government continues to support that idiotic ritual "free market, free market, free market," on the question of the oil price drop—and if the oil price drop continues to go into single-digit per barrel prices on the world market, that can set off a political explosion in this country, and—it is enough of a charge to set off a general collapse of our entire banking system.

And these idiots in Washington are talking "free market, free market." [Texas Gov. Mark] White is right: We need a trigger price oil import tax; we need it now. He's wrong when he says \$15 a barrel; it should be \$20, because we have to go above the stripper break-even price. And then we have to worry about the fact that it costs us \$27 to \$28 per barrel to maintain oil production through continued development. At \$20 per barrel, we simply run down our developed reserves. At \$27 per barrel, we can continue to develop oil. We might lower that price slightly if we changed our tax laws to give a few tax incentives, which would make it cheaper to make those kinds of investments.

But if we're concerned with our national security, some-

body is going to go into the Congress and into the Executive branch and *ream* anyone who is idiotic enough not to impose an oil import tax based on a trigger price and do that right now, before it's too late, before the banking system goes. It could be fixed, but there's nobody in this town of Washington presently with the guts and knowledge of what to do about it. There are no Franklin Delano Roosevelts on Capitol Hill or in the administration. No one with the guts to do this.

Again, the same problem. What the press is reporting and what government is saying are out of correspondence to reality.

There are two other issues I'll conclude with.

Foreign policy: We're idiots, we're criminals in foreign policy. If you're an enemy of the United States, you're going to get a good deal. If you're a friend of the United States, you're going to be traded off and sold down the river. That is the foreign policy of the United States. It's a travesty.

I travel around the world; I have friends in many governments and circles in various parts of the world. And what the Soviets have said against the United States is mild compared to the reality. And that's one of the reasons why the Soviets are moving in and taking over, easily, entire areas of the world. Our policy in Europe is insane. Our policy toward West Germany is insane. West Germany is on the verge of going into the Soviet sphere of influence. If the Social Democrats and Greens come to power—and they are on the edge of doing so—the United States is out of Germany, even out faster than Gramm-Rudman can pull our troops out.

And if West Germany leaves NATO, as the Social Democrats have promised to do, then NATO no longer exists. Greece is already gone. Turkey is neutralized, and Italy is undermined. And that is the policy of Shultz. That's the policy of our State Department. That's the policy of that little guy who runs Richard Burt, our Mark Palmer over there. We tell the Europeans that we're pulling out of Europe, because we have to defend our financial interests in the Pacific. We go into the Pacific and we tell the people in the Pacific: No, the Guam Doctrine sticks, because our primary concern is Europe. We go to our traditional export markets in South America and we destroy them. We turn around, we cut down their imports from the United States, demand that they increase their exports to us, and then we turn around and scream, to say that our trade balances are rising and we've got to do something to fight off these very bad people who are flooding our markets with goods.

In the area of foreign policy, the government of the United States is either criminal or insane. And the press watches this and does nothing and comments not upon it.

In the area of strategic policy, we're insane. In our country you've got a confused mass of patriots and a bunch of liberals. The liberals say, as does Henry Kissinger, that the world should be run as a kind of ongoing, continuing crisis management negotiation between Washington and Moscow.

And maybe if we're good-natured on a particular day, we might consult London on the matter. But nobody else. These people say they believe in global society and a bipolar world. And everybody's worried how Gorbachov *feels* about us. And people take seriously what the Soviets say. They're idiots!

The Soviets are Russians. Look at the composition of the Politburo and Central Committee. Look at the composition of the *Nomenklatura*. Russia is a dictatorship, run by a ruling class, an oligarchy, called the *Nomenklatura*. Forget all this garbage that you read in *The Daily Jerker*, or whatever that thing is called these days. The Russians are irrationalists; they're racists. They're Russian racists, Great Russian racists. If you don't believe it, ask a Ukrainian. They're irrational. They believe in power, in the perception of power, and in political will. And when the United States runs around with people like Hans-Dietrich Genscher in Germany and says to the Russians, "Look, we'll try to negotiate; we'll try to please you," the Russians say, in the words of Lenin, "Liberals are useful fools."

You can have war avoidance with Moscow if you have, number one, power; if you have, number two, the perception of power; and if you have, number three, political will. In that case, Moscow will say, "The risks of war are greater than we're willing to accept; therefore there will be war avoidance. But because we are frustrated, we will call the President of the United States all kinds of nasty names." And anyone who's President of the United States, who's a patriot, has got to go with that. He's got to expect to be called nasty names, and say to the Soviets, "Okay, you SOB's, come on over here and talk." But don't say "nice guys," don't say "liberal," don't say "patriot," don't say "peace-lover." Say "SOB," the way Patton is reputed to have said to the Russian generals. Say, "Okay, you SOB. Come on over here. We'll talk. We're not going to kill you and you're not going to kill us, because you haven't got the guts to do it. So let's talk." And that's the only way to deal with the Soviets.

We are today promoting still in the press—we're promoting nuclear deterrence; we're calling that peace-loving. And we're opposing the development of the Strategic Defense Initiative, which is a means of killing missiles. So there's a great inconsistency between those who are screaming about nuclear weapons and at the same time defending nuclear weapons against those of us who are trying to kill them.

The problem is that you in the press who are patriotic, or rational, who would like to do the job that you should be doing, which is to be informing the public of this country of reality and helping them to understand reality, you have not been doing your job. And what happened in Illinois, and what is going to continue to happen, will demonstrate that the forgotten majority of the voters of this country represent reality and have asked me and my associates to stick it to

you, to force you to recognize reality. And the sooner that you in the news media dedicate yourself to reality, instead of the present game of media phenomena and perception, the sooner you will make your vital contribution to the future of this country and of civilization. Thank you.

Q: Illinois Democratic gubernatorial nominee Adlai Stevenson on numerous occasions has called you a "neo-Nazi," a "bizarre and dangerous extremist" who espouses "hate-filled folly." How do you respond to Mr. Stevenson?

LaRouche: Mr. Stevenson is doing a funny thing, coming out every day and pushing the self-destruct button, and if he keeps pushing it, it's going to work sooner or later. Adlai Stevenson's great-grandfather attacked Abe Lincoln in terms which are not too dissimilar. The Republican Party is no longer the party of Abe Lincoln; they have the opposite policies. The Democrats, up to Roosevelt's administration, tended more toward the Abe Lincoln side, in terms of policy. If Abe Lincoln were alive, he would probably be standing up here with me today. And Adlai doesn't like me. As far as this garbage of "Nazi," "anti-Semitic"—that comes from the drug lobby. . . . Adlai is destroying himself by repeating these lies, and acting upon them. That's my answer.

Q: In 1977 in an article in *New Solidarity* newspaper you stated, in your words, that the center of evil in the United States is a mafia-like conspiracy between the Rockefeller brothers and Jewish bankers in Manhattan. . . .

LaRouche: Oh, I didn't say that. That's a misformulation of what I have said at any time. . . . That is not what I wrote. That is a *characterization* of what I wrote, which is not what I wrote. . . . The point is, this was a response to some charges which were circulated by a drug-lobbying organization called the ADL. There were attacks on me because of my attacks on Meyer Lansky and his friends, including Rockefeller. Meyer Lansky and Rockefeller, as you know, met down there in the Bahamas, together with some other fellows, and set up an operation called the Mary Carter Paint Company, which later became Resorts International and Intertel, which is an integral part of organized crime and the drug lobby.

The attack was on me for mentioning the names of a few people like Meyer Lansky, who happen to have Jewish names. I was attacked for mentioning gangsters with Jewish names, like Meyer Lansky, whom Israel refused to admit to citizenship because he's a gangster. And I said, "Yes, there are people, including people in financial institutions, with Jewish names, who worked with Rockefeller, and that is one of the centers of evil in the United States." I said that. *That's* what I said. . . .

Mark Nykanen (NBC-TV): Monday night, we reported that a former security consultant who worked for you said that he had been approached by one of your top aides, Paul Goldstein, and that Goldstein had told him how the organi-

zation, your organization, had shadowed former Secretary of State Henry Kissinger and wanted to assassinate Kissinger. If you have a response, I would like to hear it now.

LaRouche: The question is, how much did you pay him for that? Number two, if you want to ask me about the gentleman, don't ask me; go ask the CIA.

Q: I'm not going to get into a debate with you. Is that the sum total of your response to that?

LaRouche: I'm saying, how much did you pay him for those lies, in November of last year?

Q: Obviously, we've paid him nothing.

LaRouche: Well, I'm not sure of that at all. My information is that you did pay him for it. My information was that he was taken up to New York by a fellow from Reading, Pennsylvania, after the FBI turned him down on the cock 'n' bull story. And they took him up, and they sold him to NBC, and NBC photographed him in their studios in New York, had a sum of money conduited to the individual, who was in financially desperate condition at the time, and still is. As a matter of fact, I had an offer for \$10,000; he tried to blackmail me out of \$10,000, after you put him on the air.

So the whole thing is a cock 'n' bull story. It's a complete lie. If you want to know more about it, go ask the CIA. . . .

Q: I have a question about Virginia. Virginians are an intelligent and patriotic people, and have made it clear that they reject your activities wholeheartedly. My question is, why did you move to Virginia. . . . ?

LaRouche: I don't think Virginians have rejected me at all. I think, again, you're dealing with the problem of media perception. . . . How have Virginians rejected me? When did you ever publish as a journalist any accurate account about me in the state of Virginia? . . . I think the voters are patriotic, in the main, in this state too, in Virginia. And I think the majority of them are going to support me. I haven't made any aggressive political moves in the state of Virginia, nor do I have any plans to do so.

But I think when you get the split in the attempt to create this Southern alternative for 1988, which former Governor Robb is presently involved in, that you're going to find that the conservative Democratic Virginian, if I get the reputation of having won two more primaries, like the Illinois thing or anything approximating that, the conservative Virginians, like conservative Democrats throughout the South, those that aren't anti-black, are all going to come talking to me in one form or another, and when they talk to me, I'm going to cooperate. And we're going to throw together a Southern strategy which I will cooperate with, which will help to carry the 1988 elections.

So I think you're very premature. You may be prejudiced; you may have been worked up; you may have been soaked

up with a bunch of lies, like many people in the media have, but you don't really know a thing about me. Probably today is the first time you've ever gotten a feel of what I might be. Why don't you hold judgment and learn a few things, before you shoot your mouth off that way?

Q: You have told us many of the things you oppose, but can you tell us specifically what you advocate to solve the farmers' problems, the blue-collar, the unemployed, the budget deficit?

LaRouche: First of all, I'm primarily an economist, which we haven't gotten to much in here. But this country was founded on the basis of a rejection of everything in Adam Smith's *Wealth of Nations*, even though Smith published the book as an apology for the policies of the East India Company, after Washington had started his war against the British. Nonetheless, the entire conflict between the United States and Britain was on the central issue, the economic one, even though there were moral and legal questions as well. This was based on the Massachusetts Bay Colony in the 17th century. We had policies; they were influenced, probably through Franklin, by the policies of Leibniz; an English faction opposed to Marlborough, the Marlborough Churchill family—Hunter and Spottswood, in particular, introduced into Virginia, in particular, and New York state, certain of the principles of our nation, and this became known as the American System of political economy—a name which is given to it by particularly three papers of Alexander Hamilton, when he was Treasury Secretary, the one on public credit, the one on the national bank, and on the subject of manufactures.

These were the policies of the American Whigs; these were the policies of Lincoln's Republicans; and these are my policies: that we must abandon this *free trade philosophy* which we fought the American Revolution to free ourselves from, which has led us into bankruptcy, national bankruptcy, every time we adopted it. We have to go back to—away from—British style banking, to national banking, as Hamilton proposed it. We have to go to protectionism, in the sense of the Whig tradition.

We have to take this bankrupt currency and this bankrupt banking system that we have—and like to pretend that it's not falling apart, but it is. We have to have a President and a Congress with the guts to ram through a currency and banking reform as emergency measures, put our currency back on a gold reserve basis, which we took it off between '68 and '71, establish a hard U.S. currency in international markets, shut down the present methods of banking by having the federal government go back to what the Specie Resumption Act forbade: to reissue, as Lincoln did, federal currency Treasury notes, to loan those notes at low interest rates through the private banks to agricultural investments, to infrastructure by utilities, state and local governments, to industrial investments, to export, and in the case of emergency, also for

national defense production, to get this economy moving again. Not moving in terms of credit-card money, not moving in terms of casinos, not moving in terms of gambling dens of all kinds, and speculation, but get it moving in terms of production. Do what we learned to do (albeit with mistakes included) between 1939 and 1943, when Roosevelt, granting his mistakes, demonstrated empirically that any time the President and Congress have the guts to do so, you can pull this country out of a depression and you can pull it out fast. The only thing you have to do is have government-created credit steered into things that cause people to be employed to produce useful things, including infrastructure, and you could save this country.

We don't have small unemployment. We have in point of fact about 25% of our labor forces unemployed. We just don't count most of the people who are unemployed. We need something better than the CCC. We've got in this country millions of unemployed youth. There's no hope for them at present. No hope! Why don't we expand our Corps of Engineers? We've got a \$3 trillion deficit in infrastructure, just to get back to where we were in 1970. Why don't we take these unemployed youth, put them under the Corps of Engineers for employment and training in major projects of infrastructure, such as building the western NAWAPA water system and other things that have to be built? Why do we leave them around to rot, when we can put them to work and upgrade them so that coming out of that program, they'll be employable and will have a future for themselves and their families, while right now they have got nothing? . . .

Q: If you could somehow, just for a moment, believing what you believe, put yourself in our shoes: Would you find a lot of what you're saying fairly ridiculous?

LaRouche: No. Of course not.

Q: What is it the drug lobby, the drug traffickers, have to fear from you? How can you hurt them?

LaRouche: Well, I think we have hurt them. We ran a campaign from 1978 on, called "War on Drugs." Shortly after President Reagan was inaugurated, he adopted that program called "War on Drugs." There was a great deal of screaming about that. You see, people who talk about drugs, they're not really serious about it. . . . What we insisted upon in *Dope, Inc.* is that you have to go at the fact that today the drug traffic is over \$400 billion a year. That's a conservative figure internationally. Now that money does not go into mattresses. That money goes through *banks*. If you want to stop the drug traffic, you have to detect the flow of drug-money receipt laundering through the international banking system, and you have to confiscate funds of that type, going through the banking system, and you have to put the bankers who do that, like Donald Regan, presently chief of staff of the White House, in jail where they belong. Because Donald Regan set up a drug-money-laundering operation. . . .

Why are Russians converging on Chicago?

by Joseph Brewda

Beginning April 3, four separate teams of senior Soviet KGB officers, operating under academic, religious, and diplomatic covers, arrived in different parts of the United States, and rapidly converged on Chicago and Washington. The teams, operating under the direction of Moscow's U.S.A.-Canada Institute director Georgii Arbatov and former Soviet ambassador to the United States Anatolii Dobrynin, were dispatched to probe, and counteract, what Moscow has classified as "disturbing political shifts" in the United States, according to highly placed sources.

The "disturbing shifts" in question are the victories of candidates backed by Lyndon LaRouche in the Illinois Democratic primary on March 18.

The Soviets now fear a potential series of LaRouche electoral victories capable of decisively shifting U.S. policy away from its present strategic course. That course, guaranteeing Soviet world hegemony, Moscow wishes to preserve.

At present, the only KGB team to have received any significant notice has been that of former Ambassador Dobrynin, who returned to Washington last week on the pretext of sponsoring a series of balls, banquets, and farewell gatherings commemorating the completion of his 26-year tour of duty in Washington. According to the "well-informed" idiotic opinion of Washington gossips, the intention of the Dobrynin trip, which has included meetings with President Reagan, Secretary of State Shultz, and U.S. National Security Adviser John Poindexter, is to prepare for another summit between Reagan and Soviet party boss Gorbachov.

In parallel to Dobrynin's tour, however, Georgii Arbatov and some 10 members of his U.S.A.-Canada Institute arrived in New York on April 3, to begin a series of low-profile "academic symposia" at Harvard, Columbia University, and the University of Hawaii. On April 5, Arbatov's group, which included such high-ranking intelligence officers as Genrikh Trofimenko of the Institute, and CPSU Central Committee member Nikolai Shishlin, closeted themselves with their counterparts in the U.S. State Department, such as Deputy Secretary of State for European Affairs R. Mark Palmer, reportedly to discuss "regional hotspots and crises." From Washington, a section of the group, led by Shishlin, left for

one such "hotspot," Chicago, where it is to "meet with several physicists."

Chicago will receive two more Soviet delegations. One, led by Metropolitan Filaret of Minsk, director of the foreign affairs department of the Moscow Patriarchate, includes 16 other metropolitans, archimandrites, and deacons of the Russian Orthodox Church. The delegation will remain in Chicago for a week as a guest of the KGB-linked National Council of Churches. The other delegation, that of Col.-Gen. Ivan Katskhin, Maj.-Gen. Alexei Gorlinskii, and Maj.-Gen. Alexander Olshanskii, is now in Chicago to "commemorate a battle" on the Elbe in World War II.

From Chicago, the KGB generals, bishops, and academicians will fan out to such cities as Minneapolis, Des Moines, Cleveland, Dallas, Milwaukee, New York City, Pittsburgh, and several other cities and states where hotly contested spring and summer primary-election campaigns are now under way, involving candidates backed by the National Democratic Policy Committee, which supports LaRouche's platform.

According to several intelligence sources, the high-powered Soviet delegation had originally been planned several months ago as part of an effort to mobilize a vast public outcry against the Strategic Defense Initiative going into the 1986 elections. Under the cover of ecumenical meetings with the Quakers, Presbyterians, and United Methodists in particular, a coordinated, new phase of the Soviet-directed peace movement was to have been unleashed.

According to these same sources, the Soviet shock at the LaRouche victories in Illinois revised to some degree the original purpose of the tours. The LaRouche victories were even less anticipated in Moscow than in Chicago itself, and immediately prompted a reassessment of LaRouche's actual strength in the United States. Moscow now has one thing in common with the American people: It no longer intends to rely on the liberal U.S. media or deluded Democratic National Committee.

Naturally enough, many of the KGB academics converging on Chicago were leading participants in the 1983 Minneapolis "peace conference" co-sponsored by the Walter Mondale wing of the Democratic Party, the Soviet-linked Institute for Policy Studies, and Arbatov's Institute. The conference, which was dominated by Arbatov and Trofimenko, formulated the Mondale presidential campaign's policy against the SDI.

However, the really heavy counterorganizing against LaRouche will be directed by Metropolitan Filaret's group—almost all of whom are senior officials in the KGB. In closed door meetings, which have already been set with Jesse Jackson's Operation PUSH, the American Lutheran Church, the Chicago Archdiocese of nuclear-freezenik Cardinal Bernardin, and others, Filaret, and his associates, Archimandrite Tiran and Ia Krylov, will lay down the law: "LaRouche is the backbone of the SDI and the anti-Russian movement in the United States. He must be stopped."

Soviets push test ban treaty to stop SDI

by Kathleen Klenetsky

The Soviet Union is hellbent on forcing the United States into agreeing to a comprehensive nuclear test ban treaty (CTBT), for the purpose of keeping the United States in a state of relative technological inferiority in nuclear weapons and stopping the Strategic Defense Initiative (SDI).

Soviet spokesmen have admitted that progress on the SDI, especially the x-ray laser, would grind to a halt, under a test ban. Foreign Minister Eduard Shevardnadze charged March 20 that the United States was rejecting Moscow's moratorium on nuclear testing because it "needs them to construct space weapons, and the halting of the tests destroys their plans for 'star wars' preparations." Similar sentiments have been expressed by U.S.-based proponents of a test ban, including Adm. Gene LaRocque's Center for Defense Information, which has been organizing a worldwide movement for a test ban for over a year. CDI literature calls for a test ban specifically because it would terminate x-ray laser development.

The Soviets have expended a great deal of political capital in the last several years to exert maximum pressure on the administration to agree to a CTBT; they have received ample assistance from America's liberal elites, who believe that, by extending the partial test ban negotiated by Averell Harriman in 1963, total U.S. disarmament can be assured. The U.S. House of Representatives has several times passed nonbinding resolutions calling on the administration to open negotiations with Moscow for a test-ban treaty, most recently on Feb. 26, by a vote of 268-148.

Gorbachov's latest ploy

Political pressure on Reagan to embrace a test moratorium escalated dramatically with Mikhail Gorbachov's March 29 proposal for a "mini-summit" with President Reagan limited to the test-ban issue. At the same time, other Soviet officials were warning that if Washington continued to reject a test-ban, Moscow would end the self-imposed moratorium which Gorbachov announced, with great fanfare, last Aug. 1.

The White House immediately rejected the offer. The summit should "deal with the entire range" of U.S.-Soviet relations, said a White House statement, which also described a test moratorium as "not in the security interests of

the United States, our friends, and allies." Washington "has learned through experience that moratoria cannot be counted on to lead to the enhanced security desired. . . . A moderate level of testing is needed to ensure the continued reliability, safety, and effectiveness of our nuclear deterrent."

Gorbachov must have anticipated what the White House response would be, but undoubtedly issued his proposal with the intention of triggering a new round of lobbying by the powerful arms-control mafia in the United States. Within hours, the pro-test ban gang went into high gear, with liberals on Capitol Hill and in the think-tank circuit accusing the United States of spurning "sincere" Soviet peace offerings.

On April 3, the New York Council on Foreign Relations threw its substantial resources into the fray, releasing two reports maintaining that a test ban is necessary to prevent nuclear proliferation. Co-sponsored by the Center for European Policy Studies, the reports say that a halt in testing would create pressure on other countries to cease testing. The chairman of the American panel was Gerard Smith, chief negotiator of SALT I, and head of the National Committee to Save the ABM Treaty.

Representative Les Aspin (D-Wisc.), chairman of the House Armed Services Committee and a longtime friend of Henry Kissinger, used another tack. In an April 1 interview, he criticized the administration for rejecting a summit on nuclear testing, and for not adequately studying "the trade-offs" stemming from a permanent halt in Soviet tests. The Soviets, Aspin claimed, might overcome a U.S. lead in nuclear weapons technology, and expand their role in x-ray lasers, if Gorbachov were to be "provoked" into ending the Soviet moratorium. Aspin failed to mention that less than a week earlier, SDI head Lt.-Gen. James Abrahamson had told a Senate panel that the Soviets were already significantly ahead in x-ray laser technology—a gap that could only be narrowed with continued U.S. nuclear testing.

But most of the test-ban lobby's energy was focused on stopping the nuclear test scheduled for April 8—the same day President Reagan was to meet with Soviet Central Committee Secretary Anatolii Dobrynin to discuss a future summit. That morning, Sen. Edward Kennedy (D-Mass.), who had been a guest of Gorbachov's in Moscow earlier this year, charged that the test would make prospects of an arms-control agreement "more and more remote. . . . The Soviets have challenged the United States. We ought to test Gorbachov's statement and then we'd know whether it's the Soviet Union or the United States that wants to continue the testing process." Kennedy was echoed by a host of others, including Reps. Ed Markey (D-Mass.) and Tom Downey (D-N.Y.).

The test was delayed by two days—partly because of weather conditions, partly because members of Greenpeace, a pro-terrorist environmentalist group, invaded the Nevada test site. The test's firing on April 10 signals that the administration has not succumbed to the Soviet political offensive; but it will probably mean a redoubling of the Soviet effort.

Why the Russians loved the treaty

by Robert Gallagher

In September 1961, Russia broke the informal nuclear test moratorium that it had convinced the United States to join in 1958, and embarked on a series of spectacular weapons tests that included several unusual anti-ballistic missile (ABM) systems experiments, including investigation of the little understood phenomenon "electromagnetic pulse" (EMP). Following a few test series, they suddenly agreed to British Prime Minister Harold MacMillan's proposal in April 1963, to open negotiations for a treaty to ban all nuclear testing *in the atmosphere*. MacMillan, U.S. Secretary of Defense Robert McNamara, and U.S. chief negotiator W. Averell Harriman jumped at the Soviet proposal, and the treaty was signed by Aug. 5. It wasn't really understood until 1967, that the Russians had used the treaty *and the test moratorium before it*, to lock themselves into a position of superiority in mastery of physical principles of nuclear explosions for use in strategic defense, scientific advances not yet understood in the West.

Defense Department official Benson Adams wrote in his book *Ballistic Missile Defense*:

In February 1967, *U.S. News and World Report* reported that the Soviets made a breakthrough in exo-atmospheric missile defense by using the x-rays released from a thermonuclear blast as the kill mechanism. The article also said that in 1958 both Soviet and American scientists knew from tests that x-rays were released from H-bomb explosions, but apparently only the Soviets realized their potential. The article asserted that having once discovered the x-ray effects, the Soviets agitated for a testing moratorium.

The moratorium gave the Soviets time to carefully plan a test series to demonstrate whether strategic defense based on "the x-ray effect," was feasible. Benson continues:

The Soviets broke the moratorium in 1961 and during the subsequent test series in 1961-63 actually destroyed two [nuclear warhead] reentry-vehicles with one anti-ballistic missile using the x-ray effect.

And:

Some of the Soviet tests involved large yield weapons (5 megatons or over) which were thought to be much too big for defensive missile warheads. However, the authoritative British technical journal *The Aeroplane and Astronautics* described in detail a method for destroying ICBMs using electromagnetic pulse and particle radiation; both are emitted during the explosion of nuclear and thermonuclear weapons.

The Air Force Technical Applications Center panel headed by Hans Bethe, concluded that "in the recent atmospheric test series, the Soviets drew even or passed the U.S. in some aspects of thermonuclear weapons." Even Secretary of State Dean Rusk concluded that the United States was no longer in a favorable position to sign a test ban. Nonetheless, the treaty was negotiated. Benson concludes:

It was only by accident that the United States [later] learned of the [x-ray] phenomenon. A Russian scientist . . . spoke about the x-ray effect at a meeting with U.S. scientists, assuming that everyone knew about the phenomenon. The [*U.S. News*] article quotes one U.S. authority as saying, "They found that the Russians not only had something, and were years ahead in theory, but had already tested it out in space and probably were starting to build their anti-missile system around it.

The purpose of the Nuclear Test Ban Treaty of 1963, was to impose a technological freeze on the United States and Western Europe. Following its enactment, McNamara killed the U.S. Army Nike-Zeus ABM program. The treaty banned all nuclear explosions, for any purpose, in the atmosphere, underwater, and in outer space. The ban on atmospheric testing prevented the United States from carrying out experiments not only on the x-ray effect, but also on designing ABM radars so that they are not "blinded" by nuclear-blast EMP.

The U.S. Nike-Zeus anti-missile missile disabled incoming nuclear warheads with detonation of a low-yield nuclear explosive in space or high in the atmosphere. A principal unresolved problem for such systems was that they would tend to blind their own radar. As soon as one ABM had detonated—disabling one or more incoming warheads—the electromagnetic pulse from the blast, a transient but intense wave of electromagnetic radiation, would temporarily blind existing ABM radars making it impossible for them to see other incoming warheads. Atmospheric testing was required to develop radar technology and harden radar against EMP. Because of the treaty the United States could not solve this problem. Dr. Edward Teller testified before the Senate that the Soviet Union had acquired this knowledge in the vast series of atmospheric tests in 1961 and 1962. For this reason, he reported, they then rushed to

negotiate a ban on atmospheric testing.

Putting the genie back in the bottle

The treaty also prevented development of peaceful nuclear explosives that held the promise of a technology that could dig canals, reservoirs, and harbors; divert rivers for irrigation and power generation; and mine mineral resources throughout the developing sector with its tremendous earth-moving power.

The treaty was attacked by Dr. John Foster, director of Lawrence Livermore Laboratory; former Atomic Energy Commission Chairman Lewis Strauss; Gen. Thomas Power, commander of the Strategic Air Command; former Chief of Naval Operations Adm. (ret.) Arleigh Burke; former chairman of the Joint Chiefs of Staff A. F. Gen. (ret.) Nathan Twining; and many others. Former President Dwight Eisenhower, threatened by President John Kennedy with a scandal involving a former aide, formally supported the treaty but implied that the treaty was incompatible with U.S. national

sovereignty.

Support for the treaty in the United States came from the mentors of today's opponents of the Strategic Defense Initiative: Secretary of Defense Robert S. McNamara; Assistant for National Security Affairs McGeorge Bundy; Assistant for Science and Technology Jerome Wiesner; Wiesner's predecessor in the Eisenhower administration, James Killian; Averill Harriman; Sen. Hubert Humphrey, who played the role of Senate echo-chamber for MacMillan's proposals; and many others of the Anglo-American genocide lobby.

'A step toward war'

Dr. Teller explained the dangers of ratifying the treaty and its inherent regressive character in his testimony before the Senate Foreign Relations Committee during hearings on the treaty in 1963.

The reason that I am worried about this treaty is because I believe that this treaty is a step not toward

Abrahamson: Soviets ahead on x-ray laser

by Charles B. Stevens

For the first time ever, a U.S. defense official has presented hard evidence that the Soviet Union is significantly ahead of the United States in development of hydrogen-bomb-powered x-ray lasers. This occurred March 25, when the director of President Reagan's Strategic Defense Initiative (SDI) missile defense program, Lt. Gen. James A. Abrahamson, testified to the Senate Armed Services subcommittee that the Soviets conducted an x-ray laser technology test in 1982 "that we will not be able to do until 1987." The unprecedented public release of these intelligence data considerably enhances the ominous estimate presented by Dr. Edward Teller to the Las Vegas "Lasers '85" conference last December, that the U.S.S.R. has already begun deploying hydrogen-bomb-powered x-ray lasers.

In the light of recent U.S. experiments, which appear to confirm previous Russian theoretical projections, the potential firepower of the hydrogen-bomb-pumped x-ray laser is truly awesome: According to leading experts, a single x-ray laser bomb, lofted into space on a single missile, could generate up to 100,000 high-energy x-ray laser beams, enough firepower to destroy the entire Soviet

ballistic missile fleet and its full complement of warheads and decoys many times over.

In this context, the unprecedented release of hard evidence by Lieutenant-General Abrahamson, to the effect that the Soviets are as much as five years ahead of the United States in x-ray laser development, means that any proposal for a moratorium on U.S. nuclear underground testing is at minimum a proposal for unilateral disarmament of the West. It is therefore quite understandable that Soviet Party chairman Mikhail Gorbachov has made a complete nuclear test ban (for the United States, that is) the top priority of his government. But what motivates the U.S. Eastern Establishment's endorsement of Gorbachov's moratorium offensive: advanced senility or plain treason?

Thus, the mere possibility of the United States deploying defensive x-ray laser modules threatens to undermine the existing Soviet first-strike strategy. It is therefore small wonder that Gorbachov has made the U.S. nuclear x-ray laser program his top target. The question is why any informed American, like House Armed Services Committee chairman Les Aspin (D-Wisc.), would back up Gorbachov's attack on the U.S. x-ray laser program?

Despite Gorbachov's efforts to impose a nuclear test moratorium on the United States, and, therefore, probably ensure a Soviet monopoly on nuclear x-ray laser technology, President Reagan has vowed to maintain the underground testing as essential to U.S. national security. According to the April issue of *Air Force* magazine, the U.S. Department of Energy fiscal 1987 budget request of \$8.2

peace but rather a step away from safety, possibly a step toward war. . . .

The treaty will permit the Russians and us, and anybody else, to develop nuclear explosives underground. This will permit us to perfect not every kind of an aggressive weapon, but very important kinds of aggressive weapons. This treaty, therefore, will not have the direct effect of slowing down the development of aggressive weapons. What it will do is to prohibit us from acquiring the knowledge about effects of weapons, those effects which are of vital importance in ballistic missile defense. . . .

These times has been a time of extremely rapid development, and it has been a time full of surprises. At no turn did we know what the next step will bring. At no time could most of us predict the future. Yet what we are now trying to do is essentially to predict the future, and when some of the best and most outstanding people contradict each other, they do so be-

cause the future is necessarily uncertain. . . . In 1958, none of us believed in any serious way that missile defense is a realistic possibility. . . . I believed that missile defense was hopeless. I am now convinced that I was wrong. . . .

Secretary McNamara has told you that if you don't have enough knowledge about the hardening of our missile sites we will make up for it by building more missiles, by spacing these missiles farther apart, by making them harder. . . . What Secretary McNamara is telling you is that he is willing to substitute brawn for brain, to spend more and more money for defense. This is what has been rightly called an arms race. To acquire more knowledge, to acquire more knowledge in order to know how to defend ourselves, this, I would suggest, is not quite properly called an arms race. This treaty will not prevent the arms race. It will stimulate it. This treaty is not directed against the arms race. This treaty is directed against knowledge. . . .

billion for "Atomic Energy Defense Activities," under which nuclear testing is carried out, represents a \$1 billion increase over that for fiscal 1986. *Air Force* magazine indicates that much of this increase is for developing nuclear-driven directed energy weapons such as x-ray lasers.

Plasma focusing

The most crucial breakthrough in x-ray laser technology occurred when it was demonstrated in underground tests in March 1985 that magnetic plasmas could be used to focus and aim nuclear-bomb-generated x-ray laser beams. A plasma consists of an ionized gas. It can be contained by a magnetic field. In the March 1985 and the more recent Goldstone underground tests, carried out under the direction of the California-based Lawrence Livermore National Laboratory, it was found that hydrogen-bomb-produced x-ray laser beams self-focus as they pass through the magnetic plasma. The focused x-ray laser beam is 1 trillion times brighter than the hydrogen bomb itself. Because of the short wavelength of x-ray electromagnetic radiation, which permits focusing to extreme power densities, the laser beam output can be divided up into tens of thousands of lethal pulses, each capable of being directed to a separate target.

The same plasma focusing also provides the means to electromagnetically aim and point the individual beams. This is far more practical than having to aim and point each separate x-ray laser rod mechanically. Overall, the result is that one x-ray laser bomb could have the firepower to destroy the entire Soviet ballistic missile fleet, if it were

used in a simultaneous launch. This could be done at any phase of the missiles' trajectories.

For example, in the five minutes of the vulnerable boost phase, the 100,000 x-ray laser beams could be shot over ranges of 10,000 miles. In the longer midcourse, during which the warheads and decoys drift through space, each of the x-ray laser beams still has the wallop to destroy the hardened shells of the re-entry nose cones. With 100,000 beams per bomb, it would be possible to destroy all targets, including decoys over ranges of several thousand miles.

Military implications

The nuclear x-ray laser threatens to have a far greater adverse impact on Soviet military capabilities and plans, than on those of the United States. The currently superior Soviet order-of-battle, which has resulted from the most massive military build-up in history over the past two decades, is predicated on a first-strike surprise strategy in which a rapid-fire series of massive missile salvos destroys U.S. nuclear capabilities before they can be launched. Even the deployment of a handful of x-ray laser modules on, say, submarine missiles based in the Arctic—a deployment which would be virtually impossible to detect—could be sufficient to turn the tables on the Soviet preemptive strike strategy. The huge firepower potential of the x-ray laser is most effectively employed against massive missile salvos, in the same way that grapeshot and machine guns are most effective against massed infantry charges.

Once again, NBC gets its line from Moscow

by Konstantin George

It's not for nothing that NBC has been nicknamed the "National Bolshevik Corporation." Two weeks before NBC broadcast its April 8 defamation branding Lyndon LaRouche's associates "killers," the "trained killers" lie was broadcast on March 21—on the Moscow TV "news" program, *Vremya*.

The Moscow TV broadcast was meant not only as a "green light" for Soviet-allied and corrupted media in the West to pick up the new slander line against LaRouche, but also, as a naked signal to Soviet terrorist assets and networks to launch bombings, assassinations, kidnappings, and other forms of criminal violence against offices and members of LaRouche-affiliated organizations in Western Europe and the United States. Two days before NBC picked up and aired the slanders of the Soviet broadcast, the Paris office of *EIR* was bombed by an arm of the French ultra-left, Soviet-connected terrorist group, Direct Action.

Big lie campaign

The March 21 Moscow TV broadcast is very striking, in that its ostensible subject matter is the assassination of Swedish Prime Minister Olof Palme, and the alleged role of the European Labor Party (EAP)—the political arm for LaRouche's economic and defense policies in Western Europe. The Big Lie campaign to "implicate" the EAP in the Palme assassination was launched and masterminded—as we thoroughly documented in the April 4 *EIR* issue—by Moscow's KGB and KGB disinformation outlets in the Western European media.

As we also documented, these media slanders in Western Europe reached a crescendo during March 18 and March 19—including slanders on Soviet radio. The whole case rested on Viktor Gunnarsson, who was temporarily detained by Swedish police, which had employed him as an informant in the past, and who happened to have once signed an EAP petition. The whole "soap bubble" of media hype against LaRouche on the Palme murder soon collapsed in the West, although it revealed a great deal of and about Soviet disinformation capabilities in the West.

The Moscow TV broadcast of March 21—broadcast twice

in fact—thus stuck out like a sore thumb. It occurred *after* the soap-bubble burst, and cannot be read as Russia simply "riding the wave" of Western European media attacks and slanders against LaRouche. As will be clear from the text which we reproduce here in full, the broadcasts were an announcement by Moscow that the next wave of media attacks against LaRouche and his organizations will be—as the Paris bombing has already proven—accompanied by violence. The *Vremya* text is translated from the original as monitored and taped by Radio Liberty-Munich.

"The EAP has been active in Sweden for more than 10 years. It is a terrorist, pro-fascist oriented organization, whose aim is to make Sweden enter NATO, and give the Swedish Army neutron weapons, and which is persecuting all those who fight for peace and the security of the people. The members of this Party have, for years, pursued a methodical campaign of deceit and slander against Olof Palme, using all means, including distortion of facts about his private life, and ridiculous assertions that the prime minister of Sweden was a KGB agent, and was selling out Sweden to the Soviets.

"Some members of this organization have received special military training in Wiesbaden, under the supervision of killers [or cutthroats, the Russian word is *molodchiki*], from the neo-Nazi private army of Hoffmann [the neo-Nazi terrorists of the "Wehrsportgruppe Hoffmann"].

"The Swedish newspaper *Aftonbladet* has quoted a member of the Swedish chapter of the EAP, who said to a journalist in 1984: 'Possibly, the time will come to gun down Olof Palme.'

"According to the Swedish media, the headquarters of the Party is in the United States. It's headed by an American millionaire, Lyndon LaRoche [sic]. According to *Svenska Dagbladet*, LaRoche had contacts with the American administration. The sources of the Party's funding are unclear. Officially, it exists through the sales of propaganda literature, but, observers think there is another source of money, which is kept secret by the Party."

Izvestia

Our documentation of Moscow's decision to launch violent attacks on LaRouche and his associates internationally, would not be complete without citing the Soviet government newspaper *Izvestia* of April 4. On that date, through London correspondent A. Kripovalov, appears a sinister "message" article on the subject of LaRouche. The "message" occurs in the form of effusive praise for a British publication called *Searchlight*, which ostensibly tracks "neo-Nazis" and "right extremists" and which functions as an unofficial KGB and East German intelligence mouthpiece. *Searchlight's* chief editor, Gerry Gable, a self-proclaimed "LaRouche watcher," collaborates with the ADL and with pro-Soviet "LaRouche watchers" in West Germany. It was the KGB outlet *Searchlight* that in January 1986, in a slander against LaRouche entitled, "Far Right Spooks Move In," first floated the line that LaRouche's associates are "killers."

Arbatov: 'LaRouche invokes nationalism'

Soviet spokesman Georgii Arkadievich Arbatov, on his 40th trip to the United States, to address the American Society of Newspaper Publishers here April 11, became visibly unsettled at the mention of the name Lyndon H. LaRouche. He was particular distressed that LaRouche is invoking a mood of "nationalism" in the U.S. population.

Arbatov is a member of the Communist Party's Central Committee and head of the U.S.A.-Canada Institute, a KGB front that monitors U.S. political affairs.

Right after his address to the publishers, Arbatov was approached by this reporter. This was the exchange:

EIR: Mr. Arbatov, what do the Soviets think of Lyndon LaRouche and the victory of his candidates in Illinois?

Arbatov: I think LaRouche is a fascist.

EIR: But what about the popular support for his candidates? Do you see that as a trend within the population of the United States?

Arbatov: Yes, it does reflect a certain trend. It is a very disturbing thing to see a population motivated by racial intolerance and nationalism. . . .

EIR: Is this a cause for serious concern to the Soviets?

Arbatov: This is an event which should not be overlooked, it could be very serious.

When I then stated that deploy-

ment of the Soviets' new SS-25 missile was a violation of the SALT II accord, he wanted to know which publication I represented, and when I told him, his eyebrows rose, and he gasped, "LaRouche!" Turning 180 degrees, he walked about as fast as the laws of physics would allow a mass of his particular aerodynamic design.

Otherwise, Arbatov had such gems to throw out to his audience as 1) the lack of a free press in the Soviet Union is "a self-delusion of the Americans," and 2) there are "only a tiny handful of political prisoners in the Soviet Union."

Arbatov did state that charges by American journalists of media censorship in the Soviet Union were a case of "the pot calling the kettle black." "You [addressing the 400 publishers] are just more sophisticated than we are. You are masters of public relations," he said. Other than his candid expression of concern over LaRouche, this was the closest thing to the truth he had to say all day.

Arbatov shared the podium with Mark Palmer, deputy assistant secretary of state for European affairs, a young Kissinger clone. Palmer stated: "Miscalculation, rather than any calculated intent, is the greatest danger of war." Therefore, he concluded, agreeing to and signing a treaty, any treaty, is better than signing no treaty at all.

This is directly contrary to the assessment of the Pentagon, expressed in its recently-released *Soviet Military Power, 1986*, and verbally confirmed by Secretary of Defense Caspar Weinberger, that the Soviets are operating on a doctrine that a nuclear war can be fought and won. Hence, calculated actions by the Soviets over the coming period represent the greatest threat to world peace, and the United States has to be prepared to respond to that before signing any treaties.

Texas governor calls oil security issue

Texas Gov. Mark White came to Washington April 10 to warn that continued low oil prices represent a national security threat to the United States. He renewed his call for an oil import tariff at \$15 (Lyndon LaRouche, speaking at the National Press Club the day before, endorsed White's call, but said the tariff should be \$20,

Speaking to the Federal Energy Regulatory Commission, White said, "The national security risk of allowing foreign governments to dictate the flow of energy supplies into this country is unnecessary and should be unacceptable to every American.

"This is not just a Texas position, it is not an oil state position, it is not an industry position. National security is a national interest, and I would pray that is our position as a nation. Our nation cannot afford to wait until a shortage arrives before taking steps to encourage cost-effective production. . . . We have the ability in the United States, if the administration would only exercise the will—to stabilize oil prices, strengthen domestic energy production, enhance America's independence, and secure our national defense with a few strokes of the President's pen. Why not a temporary, variable tariff?"

Is Reagan listening? At his nationally televised press conference April 9, Reagan hinted that national security considerations might snap him out of the hypnotic spell of the "free market" and "invisible hand." "The market in oil is not completely free. . . . There are some major producers of oil who are governments, not private corporations or business people. . . . and we must keep our eyes open to see that no one starts playing tricks for some kind of illicit future gain. . . . We would have to keep our options open."

Aspin-Kissinger link revealed in Journal

The man the *Wall Street Journal* in its April 9 edition described as "taking the crucial role in shaping Pentagon budget cuts," is noted for his close ties to Henry Kissinger. Rep. Les Aspin (D-Wisc.), chairman of the House Armed Services Committee, is adamant that the restrictions of Gramm-Rudman be met to the letter (\$144 billion in cuts in the FY 87 budget), and he's willing to tell anyone that a lot of that is going to come out of the defense budget—more than the \$49 billion predicted by the Congressional Budget Office.

Aspin himself will have a lot to do with that because of his position. Last month, he pushed through a major re-vamping of the military pension system, but more importantly, he is now moving "aggressively," in the words of the *Journal*, to slash the President's funding request for the Strategic Defense Initiative.

Aspin has the character and career of a close associate of Henry Kissinger, for whom he worked during the latter's tenure as secretary of state. Another "old buddy," his former boss Robert McNamara, says: "It is a genuine opportunity for someone with his talents to take charge and lead."

Aspin worked under McNamara at the Pentagon before getting elected to Congress in 1970. There he was the archetypical McNamara "whiz kid," a real pro at McNamara's "cost-benefit analysis" approach to running the military, which included the "body count" approach to the Vietnam war. Lawrence Eagleburger, head of Kissinger Associates, said Aspin was part of the military's version of the "best and the brightest . . . a classy bunch" in those days.

Aspin now skulks around Washington, divorced with no children, as the "consummate insider," in the *Journal's* words, who is on a "different agenda" than everyone else in Congress, which has led to distrust from all quarters. "He's so involved in deal making that he doesn't know how to deal with people. You're always worried there's something unsaid," an associate remarked. One thing's for sure: Whatever Aspin's hidden agenda may be, it doesn't place the best interests of his nation at the top.

Gramm joins Rudman in call for defense cuts

When Warren Rudman (R-N.H.), co-sponsor of the budget-balancing Gramm-Rudman bill, started screaming about all the money the military is wasting in Europe before the monthly breakfast of the American Defense Preparedness Association in March, it was understood that, even though this guy is a Republican, he is from New England, and his raving anti-defense diatribe fits with the Eastern Establishment blueblood line.

But now comes that good ol' boy from Texas, the other co-sponsor, that Democrat turned Republican who is supposed to be twice as Republican as a Republican because that's what converts are supposed to be. Tough-talking, rock-ribbed Phil Gramm (R-Tex.) spoke out plainly to the American Society of Newspaper Publishers April 9, admitting, in response to a question from *EIR*, that President Reagan's defense budget request for FY 87 is going to be deeply cut due to Gramm-Rudman.

He noted that the Senate Budget

Committee voted 13-9 to cut \$25 billion from the President's defense request—and that included the votes of a half dozen Republicans. "It's an election year, after all," he shrugged. He predicted that the final Senate cut would not be that deep—but that the House cut would be, and the compromise would come out somewhere in between.

Gramm shared the podium with Rep. Charles Schumer (D-N.Y.), a liberal on the House Budget Committee who replaced Rep. Bill Gray (D-Pa.) at the last minute. Schumer said that although many Democrats voted against Gramm-Rudman, they are now doing more to see that its provisions are adhered to than the Republicans. Reagan, he bleated, is sabotaging the "spirit of Gramm-Rudman" by demanding an increase in defense spending with no tax increase.

Schumer explained Gramm-Rudman this way, using "ballpark figures." The budget is \$1 trillion, the deficit is \$200 billion, meaning 20% has to be cut. Of that \$1 trillion, however, \$700 billion is exempted from cuts under Gramm-Rudman, including debt service, Social Security, the procurement end of defense, the "safety net" programs, and fulfillment of existing contracts. This means that the \$200 billion is going to have to come out of the remaining \$300 billion in the budget that is not exempted—which is going to hit hardest on infrastructure, transport, the Coast Guard, IRS, air-traffic controllers, and aid to states and cities.

He equated the situation to the German Communists' early 1930s decision to vote for Hitler because it would make things so bad, people would realize the mistake and change it. "That is not a way to legislate,"

Schumer said. He then turned around and agreed with Gramm that Congress must meet Gramm-Rudman targets, whether or not the courts declare the bill unconstitutional.

Democrats squabble over foreign policy

A cosmetic squabble broke out during the meeting of the Democratic Policy Commission in Washington in April. Representatives of the mock-conservative Coalition for a Democratic Majority (CDM) criticized the draft Democratic Party foreign policy document presented by Rep. Stephen Solarz (D-N.Y.). In a transparent attempt to show some life and to reclaim the electoral base of the party back from the growing momentum of Lyndon LaRouche, the CDM staged a tantrum over Solarz's policy of "weakness and retreat."

It wasn't a very credible fuss. Their leader, Peter R. Rosenblatt, conceded that he and Solarz, who leads the 33-member task force that drafted the document, "will work out an accommodation" without, as Solarz said, "any major changes."

The CDM issued an alternative policy paper which had little but anti-Soviet rhetoric in it. One CDM spokesman, Rep. Dave McCurdy (D-Okla.), expressed the concern of those smart enough not to ignore LaRouche. "America has shifted to the right, and the activists and some of the leaders of our party have not responded to the shift," he said. He thus thinks along lines of the same "public perception" games as the Solarz crowd, while LaRouche cares little for "perception shifts," much for strategic reality.

Solarz's document blasts Rea-

gan's "too little, too late" policy of "watered down" economic sanctions against South Africa, defense spending that Aspin called "the most expensive bluff in history," and procurement scandals, mismanagement of military personnel, and "disastrous" naval strategies. It blasts the administration's support for Jonas Savimbi in Angola, and in the area of arms control, it calls for not undercutting SALT II "as long as the Soviets observe the same policy"(!), ratification of the Threshold Test Ban Treaty and the Peaceful Nuclear Explosion Treaty, and negotiations to ban anti-satellite weapons.

This draft document will be finalized this summer, and presumably become part of the new "loyalty test" for Democrats advocated by the party leadership. This is what Solarz means by "growing consensus," and is more evidence that this ideology-bound clique has learned nothing from the results in Illinois last month.

Senate complaining Reagan 'making it impossible'

Forced by Gramm-Rudman to chop \$144 billion from the FY 87 budget in an election year, the Republican-controlled Senate is breaking away from the administration in a desperate scramble for self-preservation. "If we're going to walk off this plank, I'd like to have some company," Senate Majority Leader Robert Dole (R-Kan.) said, expressing his frustration at Reagan's insistence upon pushing through a tax overhaul plan before coming to grips with the impossible cuts Gramm-Rudman is demanding from the budget.

The Senate voted 72-24 April 10 to oppose consideration of tax reform before consideration of the budget, directly defying the President's insistence, during his nationally televised press conference the night before, that Congress buckle under on tax reform by the same April 15 deadline for the American people to pay its taxes.

The non-binding resolution, sponsored by Sen. Rudy Boschwitz (R-Minn.) and Sen. Steve Symms (R-Idaho), was, they said, "aimed at breaking the budget out of its stall." However, it would mean, according to Senate Finance Committee chairman Bob Packwood (R-Oreg.), who opposed the measure, postponing action on other legislation until the budget is settled, "which will lead to a whale of a September," he said. Congress has vowed to finish up its work by then in order to leave a few weeks to campaign before the November elections.

Dole and House Minority leader Robert Michel (R-Ill.) also pushed for immediate action on the budget, sending a letter across the aisle of both houses to that effect. Dole, however, has been the main obstacle to starting the budget debate rolling. He has blocked the Senate Budget Committee's draft calling for \$25 billion in cuts from the President's defense request, rejecting many of Reagan's cutbacks in domestic programs.

Dole's reference to "walking off the plank" referred to the need for Congress to face up to its fears of massive budget cuts, or burdening the public with tax increases, or both, to cope with Gramm-Rudman during an election year. As he nervously contemplates taking the first step, he says he wants some company. Misery loves it, you know.

National News

Dems launch drive to draft Iacocca

A group of top Democratic Party figures met the weekend of April 5 to map out a strategy to draft Chrysler chairman Lee Iacocca as the party's presidential nominee in 1988. Iacocca is a registered Republican.

Organized by Washington lobbyist Terry M. O'Connell II, the "Draft Iacocca" drive is a response to the Illinois election victory of candidates associated with Lyndon H. LaRouche, who is now the front-running presidential candidate.

Those involved in the effort include former top aides to Jimmy Carter, Ted Kennedy, John Glenn, and Walter Mondale. Commented Lee Atwater, a political adviser to George Bush, on the "Draft Iacocca" drive: "It says that there's a vacuum" in the Democratic Party. "They don't even have a bona fide front-runner."

Iacocca, a protégé of Robert S. McNamara at the Ford Motor Company, took over Chrysler in 1978, with the supposed mission of saving it from bankruptcy. In fact, this was an operation by Felix Rohatyn of New York's Lazard Frères bank to cheat Chrysler's workforce of \$1.5 billion in wages, to cheat the company's suppliers of several hundred million, to cheat the taxpayer of millions in bailout money, while destroying half of the company's production capacity and throwing 100,000 workers on the unemployment lines.

Ted Turner sets deal with Georgii Arbatov

Broadcast magnate Ted Turner has signed a contract with the Soviet state television network, and has begun broadcasting Soviet TV over the U.S. Cable Network News, and vice versa.

Steve Coleman of WTBS-TV, a Turner affiliate, boasted, "We have the first independent network broadcasting—on a limited basis, inside the U.S.S.R., other than Voice of America." The deal was arranged

by Georgii Arbatov of Moscow's U.S.A. and Canada Institute, and Bob Wuffer, president of WTBS.

Turner's recently formed not-for-profit Better World Society, based in Washington, has on its board Arbatov, Jimmy Carter, and Prince Sedruddin Aga Khan of Geneva. Turner's closest associates in shaping his empire are now reported to be: Better World Society President Russell Peterson of the Global Tomorrow Coalition, a confidant of Britain's Prince Phillip; Lester Brown of the malthusian World Watch institute; and Jacques Costeau of the environmentalist Costeau Society.

According to Carol Rosin of the Institute for Security and Co-operation in Space, a Soviet front-group in Washington, "Turner is working to link up Moscow with Europe and the rest of the world." She is producing special broadcasts on the need for arms control and against the Strategic Defense Initiative.

Will dope lobby's Weld take a top job at DoJ?

Information leaked to the *Washington Post* April 4 indicates that U.S. Attorney for Massachusetts William Weld may replace Stephen Trott as chief of the Justice Department Criminal Division. The post opened as Deputy Attorney General Lowell Jensen announced that he will leave for a federal judgeship in California. The *New York Times* says that Weld may move directly into Jensen's spot. The Department of Justice officially denies that any decision has been made.

A Weld appointment to the DoJ would endanger whatever remains of President Reagan's War on Drugs. In February 1985, Weld let the Bank of Boston off the hook with a \$500,000 fine for \$1.2 billion in currency-transaction violations. The chairman of the President's Commission on Organized Crime commented that the small bills the bank had dealt in were undoubtedly the proceeds of drug deals.

But this did not bother Weld, whose family's financial interests are closely tied with the bank's foreign clientele. The largest of the bank's unreported transactions in-

involved Crédit Suisse of Zurich, which has been the Weld family bank since Weld's father David was an investment banker and chief executive officer for the Wall Street firm of White Weld and Company.

Weld's office has run a fishing expedition against Lyndon LaRouche and his associates, with a 17-month-long grand jury investigation which has harassed LaRouche supporters, but produced no evidence of wrongdoing, and no indictments.

Canon West: Let ADL go after LaRouche

"We can't respond to them," Canon Edmund West of the Anglican Cathedral of St. John the Divine commented, when asked his views on the Illinois primary victory of LaRouche Democrats Janice Hart and Mark Fairchild. "It would dignify them by our, or the Queen's, denial of their charges. That's what the Anti-Defamation League is best equipped for. That's what they exist for, to do something about this sort of thing. But *not* the Church. Cardinal Bernadin and the Episcopal Archdiocese of Chicago are very concerned. But they'll never say anything publicly against them—that's the ADL's job, that's their purpose."

Canon West's imperial attitude toward his towel boys from the ADL is nothing new. In 1978 West told an investigator that he would respond to exposés by LaRouche and associates of the role of the British oligarchy in the international drug trade, by "sending the Jews against them." Following this, the ADL launched a campaign—continuing to the present day—to "prove" that LaRouche's criticism of the British aristocracy was "really" disguised anti-Semitism.

California plans new AIDS tests

Dr. Kenneth Kizer, director of California's Department of Health Services, announced on April 4 that he will present to the state

legislature a comprehensive program to combat Acquired Immune Deficiency Syndrome. The plan is the result of a year-long study, and calls for state health officials to be given the authority to conduct mandatory testing "when there is a compelling public health need to do so."

Kizer's study predicts that AIDS cases in California will rise from over 4,000 this year to 30,000 by 1990. He proposes almost \$8.5 million in additional funds for AIDS research and public education during the coming year, bringing the department's total AIDS-related spending to more than \$17 million.

Kizer recommends that mandatory AIDS tests be allowed for the criminally insane and mentally ill, and in communities where a sudden increase in AIDS has been observed by public health officials.

A statewide citizens' committee, Prevent AIDS Now Initiative Committee (PANIC) is petitioning to put an initiative on the ballot in the coming primary elections, which would require that the same public health measures used to combat communicable diseases like tuberculosis, be applied to AIDS.

NBC denies it has a special link to Moscow

NBC representative Mary Lou O'Callahan said it was "utterly ridiculous" when asked by *EIR* if the network's coverage of Lyndon LaRouche had been influenced by its business relationship with the Soviet government. She also claimed that there was "nothing extraordinary" about NBC's dealings with Moscow—despite the fact that NBC is known to have struck an agreement with Moscow more than two years ago to "change the perceptions of the American population about the Soviet Union," as one of the principals put it.

NBC-TV prides itself on being a propaganda outlet for the Soviet Union. In January 1985, the network trumpeted this fact in a full-page ad in the *New York Times*, which gloated that then-Soviet Foreign Minister Andrei Gromyko had first told of his will-

ingness to meet with President Reagan in an interview with NBC.

NBC reached an agreement with the Kremlin in September 1984 to broadcast the evening news direct from Moscow. The network's high-level Soviet ties were confirmed by a Russian expert at the British Broadcasting Corporation (BBC). "They seemed to have a lot of political cooperation in high places, probably up in the Central Committee. . . . Obviously, some fairly senior NBC executives were involved in working this out."

Los Angeles supervisor to 'investigate' NDPC

County Supervisor Michael Antonovitch has ordered his Human Rights Commission to launch a witchhunt against the National Democratic Policy Committee, in illegal collusion with the Anti-Defamation League. The ADL claims tax-exempt status, and has so far failed to file officially as a political action committee devoted to opposing candidates for political office who endorse the views of Lyndon LaRouche.

According to his office, Antonovitch's commission will release a report on the NDPC immediately prior to the June Democratic primaries, which will be based on assorted published attacks on LaRouche by Greg Rose, sometime FBI stringer, whom the FBI itself dismissed as a "pathological liar."

At a press conference April 9 at the Los Angeles Press Club, Khushro Ghandhi, the West Coast director of the NDPC, suggested that if members of the press wanted to investigate the "journalistic" credentials of Mr. Rose, they could find him in Oxford, Ohio, living under an assumed Islamic name.

Antonovitch's aide, Dawson Oppenheimer, attempted to reply to Ghandhi: "We have called for the investigation because the LaRouche candidates are infiltrating the two-party system. . . . We are in close contact with the Anti-Defamation League." Ghandhi retorted, "This is the grossest form of McCarthyism—you have no factual basis for your charges whatsoever."

● **THREE-FOURTHS** of all adults have some problem with the credibility of the media and one-fifth of all adults deeply distrust the news media," a survey commissioned by the American Society of Newspaper Editors has revealed. According to a report on the survey, "There was widespread feeling that there is political bias in newspapers and skepticism as to whether papers are fair to other candidates after they've endorsed one candidate on the editorial page."

● **MARIO CUOMO**, the governor of New York, has decided that he will not "actively pursue" the Democratic presidential nomination, and will run for re-election as governor in 1986, according to the *New York Post* April 7. One source told the *Post* that Cuomo is hoping that "political lightning" will strike and somehow lead to his being "drafted for President."

● **THE ILLINOIS TRIBUNAL**, which describes itself as a newspaper for the "forgotten voter" of Illinois, was inaugurated on April 14 by the national-circulation newspaper *New Solidarity*. Its editorial states, "If Abe Lincoln were alive today, he would be the leading candidate on the LaRouche Democratic slate, and Adlai Stevenson would be denouncing Abe Lincoln just as Adlai's great-grandfather opposed Lincoln 120 years ago."

● **EVANGELIST** Pat Robertson has announced that his Christian Broadcasting Network is selling its three TV stations, canceling its toll-free telephone number, and laying off 42 employees because of financial problems. CBN executives had projected that contributions would increase 22% this year, but the increase has only been 7% so far. Robertson blames the drop on declining oil prices (since many of CBN's major donors work in the oil industry), and on his presidential bid.

The matter with Donald Regan

A bill of indictment is being prepared by this magazine against White House Chief of Staff Donald Regan, showing that the former chairman of Merrill Lynch oversaw the transition of the U.S. banking system into a laundromat for the nearly half trillion dollars in dope revenues generated annually by Dope, Inc. Rather than sitting at the right hand of the President, a position that has enabled him to effectively sabotage the entire war on drugs effort, Don Regan should be sitting behind bars—the first of a string of dope bankers to finally meet their just reward.

Among the points to be documented in the *EIR* package are:

- *The Merrill Lynch, Crédit Suisse, White Weld connection.* In 1978, during Don Regan's chairmanship of Merrill Lynch, the Wall Street financial house entered a series of joint ventures with the New York and Boston-based White Weld Securities and the Geneva-based Crédit Suisse. That combination now maintains virtual monopoly control over the \$140 billion per year Eurodollar market, and has used that control to provide a safe haven for hot money, largely drug revenues. Nowhere is that dope connection more clear than in the case of Crédit Suisse, which was the principal recipient of more than \$1.2 billion in dope money laundered through the Bank of Boston alone in one 18-month period between 1982 and 1983. For that crime, Boston U.S. Attorney William Weld, of the White Weld family, "won" a one count felony indictment against Bank of Boston, for which the bank paid a paltry \$500,000 fine. Crédit Suisse walked away scot free.

- *Merrill Lynch and the "Pizza Connection."* According to a November 1984 report by the President's Commission on Organized Crime titled "The Cash Connection: Organized Crime, Financial Institutions, and Money Laundering," Merrill Lynch was one of the premiere Wall Street financial institutions to open its doors to the dope mafia, both during and following Don Regan's tenure as chairman. Merrill Lynch was impli-

cated by the President's Commission in the infamous Pizza Connection, a Sicilian mafia network stretching from Palermo to Milan to the New York-New Jersey area, that flooded the East Coast of the United States with high grade Golden Crescent heroin from Iran, Afghanistan, and the pro-Soviet, separatist controlled Northwest Frontier Province of Pakistan beginning in 1981.

In effect, Merrill Lynch served as the financial arm of an opium bonanza that helps finance Khomeini's terrorists and the Soviet occupation of Afghanistan, while at the same time triggering the biggest wave of heroin overdoses in New York City in decades. One top figure in the Pizza Connection ring, Franco Della Torre, alone laundered an estimated \$20 million through Merrill Lynch—into sheltered Swiss accounts at Crédit Suisse. Della Torre, according to the Commission report, brought gym bags and cardboard cartons full of small denomination bills to a suite in the Waldorf Astoria Towers, where top executives of Merrill Lynch would regularly make pickups of the cash for deposit in the Merrill Lynch accounts at Bankers Trust. When the U.S. DEA and the Italian Treasury Police began to close in on the Pizza Connection heroin refineries in Milan and Palermo, at least 20 law enforcement agents and informants were murdered to cover the trail. Italian sources are convinced that the recent prison death of Vatican banker Michele Sindona was the most recent assassination ordered to protect the Pizza Connection.

- *Don Regan sought to sabotage the drug interdiction program while treasury secretary.* On Feb. 28, 1984, Don Regan was grilled by a Congressional Committee after he cut \$18.8 million out of drug enforcement funding, in order to increase his office renovation account. The funds then-Treasury Secretary Regan slashed from the Customs budget were earmarked for 14 radar surveillance planes, designed to locate and help interdict aircraft illegally carrying narcotics into the United States.

"The two arrested Israeli spies, Jonathan Pollard, and his wife, are merely third-level figures in a ring working under the sponsorship of Israeli bully-boy Ariel Sharon. The ring reaches high into the ranks of the Executive Branch of the U.S. government.

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20041-0390