

# EIR

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## From the Editor

Not just President Reagan and the few patriots around him, but every elected official in the United States would do well to scrutinize the example recently set by President Alan García of Peru, reported on page 46 of this issue. Just as emphatically as American voters rejected the economic catastrophe brought about by Donald T. Regan in the United States in the Nov. 4 balloting, the Peruvian citizenry turned out a few days later to vote a mandate to President García's policy of economic development.

British Prime Minister Margaret Thatcher, recently in Washington, would do well to study both results. This week's cover story, the first we have written on Britain in years, sketches out the crisis that will force Britain to radically change its cultural and economic policy—or be extinguished (page 26).

At the same time, we would urge our many subscribers in high-level positions throughout Ibero-America to take a look at the statement of President Mobutu of Zaire, the first head of state of an African country to break officially with the International Monetary Fund. This deserves the explicit support of patriots everywhere, both those fighting for economic integration of the Ibero-American continent, as well as persons in the so-called "advanced" sector—the sector of advanced decay—beset by the demands of the same international banking fraternity to destroy their economies.

Some other highlights this week: Counter-intelligence editor Paul Goldstein returns from a recent trip to France and a perceptive commentary on the Moonification cult's effort to undermine French Premier Jacques Chirac (page 44). The director of EIR's Biological Holocaust Task Force, Warren Hamerman, just back from addressing an conference on AIDS held by the Patriots for Germany in Bonn, West Germany, discusses the basic biomedical research tasks ahead in the war on AIDS (page 36). Kathleen Klenetsky and Nicholas F. Benton report from the Washington, D.C. conference of U.S. Catholic bishops (pages 63-66).

We welcome back Michele and Jeffrey Steinberg, who will be resuming their journalistic work for EIR under a special arrangement (see page 70) while fighting politically and legally for full vindication and freedom.

*Nora Hamerman*

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## New Davignon plan in works for world industry

by Christopher White

There's a new Davignon Plan in the works for the world's manufacturing industry. The plan's outline involves the coordinated shutdown of industrial production capabilities in the United States, Western Europe, and, perhaps Japan.

The slogan under which the shutdown of industry is being orchestrated, is that familiar to every undergraduate student of economics, and it still means what they were taught it means: economic depression. The slogan, increasingly heard since the end of the Nov. 4 elections in the United States, is "overproduction." Too much, it is said, is being produced. The surplus production cannot be absorbed by the markets' end consumers. Therefore, production must be cut back to the point that the surplus is removed.

Isn't it ridiculous that the same people, who in the United States argue that the economy is, and has been, in its strongest, most sustained, surge of growth since the end of the Second World War, should also be the ones who are planning depression-style cutbacks? They claim this will eliminate the economy's principal problem, that too much is being produced.

There is a cabinet-level committee examining how to reduce the overproduction in the U.S. steel industry, by eliminating about 30% of "surplus" production capacity. There is an inter-agency task force examining how to deal with the overproduction of oil. There is an ongoing commitment, by these same agencies, to eliminate the "surplus production" of agriculture.

But it's worse. The U.S. wreckers of industry and industrial output, are part of a worldwide commitment to cut back and eliminate so-called surplus industrial output and capacity within the advanced-sector economies. The model adopted,

and puffed by U.S. news media, such as Cable News Network, is the infamous Davignon Plan of the 1970s.

The Comte Davignon was the Belgian bureaucrat employed in the European Economic Commission during the 1970s, with the mission of cutting back steel output. His plan was not confined to Europe, and under its auspices steel capacity was shut back in the United States as well. Now there are similar, large-scale cutbacks in the works, for the same reasons.

Those reasons, of course, do not include any such thing as "overproduction." Such a crisis does not exist. Africa and large parts of Asia are reduced to genocidal levels of starvation, because they do not have access to the capital goods supplies which can deal with their lack of development. Ibero-America, once an importer of U.S. manufactured goods output, is now the looted exporter of semi-manufactured products and foodstuffs which the United States can no longer produce for itself. The economies of Western Europe are, and have been, suffering from the highest levels of unemployment since the depression of the 1930s. So it is also in the United States, if the statistical frauds of government agencies are set aside.

The world economy is in a depression. Those who now intend to cut back what they call surplus production capacity, in the present depression, are therefore simply going to make matters worse.

Yet, that is exactly what they are doing. Now as before, the steel industry, on which manufactured goods output depends, under present dominant technologies, is scheduled for slashing reductions worldwide. In the advanced sector, that means more unemployed, more poverty, fewer people able

to buy, and therefore, ridiculously, more surplus production capacity, for the cutters to eliminate. In the developing world, it means genocide. Strategically it means disaster, since the capabilities which have to be mobilized to defeat Russian expansionism will, pretty soon, not exist.

### **A package deal**

From Europe, it is reported that plans are now being drawn up within the European steel agency, Eurofer, to reduce production capacity by between 20 and 30%, beginning after the completion of Germany's upcoming federal elections. The cutback plans in Europe are accompanied by a similar effort under way in the United States, sponsored by the investment banks Goldman-Sachs and First Boston, and by Donald Regan's friends in the government. Here, USX corporation is expected to begin to shut down up to 20% of its own capacity, through one means or another, and to unleash a price-cutting war designed to drive the rest of the industry into bankruptcy court. Financial vultures do not exclude the bankruptcy of the industry as a whole, Penn Central-style, by early next spring. In Japan, the steel industry has moved into the red, and is now facing cutbacks and layoffs, for the first time since World War II.

The planned cutbacks in steel production will be accompanied by a similar redivision of world automobile production, foreshadowed in the retrenchment now occurring in the United States.

The model seems to be a package that has been worked out for international machine-tool producers in nearly completed trade negotiations with the United States. In those negotiations, Japan, West Germany, and Switzerland, the largest machine-tool exporters to the United States, are being pressed to limit the volume of their exports to the market share they had established by 1981. Japan, it is reported, has agreed to accept this package.

By the end of the second quarter of 1986, consumption of machine tools within the United States, which, like many other branches of U.S. industry, was never affected by Donald Regan's recovery, had shrunk by about 40% from the levels of 1981. By that same quarter, imports accounted for over 56% of all consumption, up from about 25% in 1981. Japan accounts for about 45% of the total imported product. Thus, the United States is demanding that Japan, Germany, and Switzerland cut their exports by approximately half. This would leave production and imports sufficient to cover about 30% of the consumption level of 1981.

The machine-tool agreement, scheduled for conclusion by the end of the third week in November, conforms to the campaign that Paul Volcker and James Baker have been waging against Germany and Japan since the period of July and August, under the cover of their demands that those two allies cut their internal interest rates. What Volcker and Baker were actually demanding is that Germany and Japan cutback on their exports to the United States, and reduce their internal

production proportionately. If the machine-tool agreement is a model of what is to come, then those nations which produce the approximately 30% of world trade that is imported into the United States on an annual basis, can be expected to cut back their domestic production by the proportion in which their exports to the United States are reduced.

There might still be those who claim that such an approach is a contribution to the growth of the world economy, and to strengthening the robustness of the recovery. Normal, sane people, would rightly consider that such people should be locked up in a lunatic asylum. This is a recipe for exporting worldwide the disaster that the U.S. economy has become.

Depressions are not caused by too much production. Depressions are caused because the productive economy is subordinated politically to insane financial and credit policies. To reverse a depression, it is not necessary to cut anything that can contribute potentially to the generation of wealth. All that's necessary, is to change the financial and credit policies under which the growth of the usurious claims of debt and speculation have suppressed the production on which society depends.

### **The defense issue**

On the machine-tool deal now heading toward finalization, the United States, for example, did have a choice. The machine-tool builders had demanded that the government extend protection to the industry for national security reasons. Without a machine-tool industry, it is impossible to provide for U.S. defense and security requirements. How can the nation defend itself, if the capability to make the machines which make the machines on which everything depends, is not subject to national control?

The administration, in the infinite wisdom of its obsession with free-market ideology, rejected that approach. It was feared that to put the crucial machine-tool industry under national security protection, would be to establish an undesirable precedent for other branches of industry. They therefore opted to continue their flight from reality and go with the new global version of the Davignon Plan instead.

In reality, the credit and monetary systems are bankrupt because of the growth of unsecured debt and speculation. Cutting back production capabilities inside and outside the United States will only make that bankruptcy worse, bringing the day of reckoning for that system closer. In the meantime, only the Soviet Union will benefit from the destruction of productive capacity and the increase of unemployment that is now being set into motion, as part of the accelerating slide into a new depression.

But that simple reality, in the domain of economic policy, no longer qualifies as a national security interest of the United States. Unless this kind of thinking is changed, and rapidly so, the United States will cease to be of any account in world affairs at all, and will have handed its allies over to Soviet rule.

# Voters exploded the 'Reagan recovery' myth, says LaRouche

U.S. Democratic presidential candidate Lyndon LaRouche released on Nov. 8 his summary statement on the defeat of the Republican Party's "Reagan prosperity" tactic in the Nov. 4 elections.

LaRouche states: "The impact of an approximately 15% decline in U.S. physical output, during the first half of 1986, combined with the fact that 31 of our 50 U.S. states are in economic conditions resembling those of the 1930s, resulted in the Republicans' loss of control of the U.S. Senate, during the recent Nov. 4 elections. Those election-results have made it socially acceptable to state openly, that the Reagan "economic upsurge" never occurred.

"The lesson which the administration must learn very quickly, if the President is not to become a 'lame duck' for the next two years, is the words of a famous Republican leader, Abraham Lincoln, 'you can't fool all of the people all of the time.' With 31 of the 50 states of the U.S.A. already in conditions like those of the mid-1930s, and the collapse of physical output spreading fast, the voters have told the President, loud and clear: 'Either dump your so-called economic agenda, or be turned into a 'lame duck.'"

LaRouche states: "We are in the worst combined economic and strategic crisis of the past 40 years. Western civilization can not wait until January 1989, for a new President to put matters right. During the coming months, President Reagan must make major decisions needed to stop the worsening of these crises. If he would correct his failed economic policies, the last two years of his administration could be a period of his greatest achievements."

LaRouche is hopeful, but not certain, that President Reagan would abandon the failed economic policies of his administration. "The fact remains, that if the President does not dump the advice of Donald Regan, Zbigniew Brzezinski, Henry A. Kissinger, and so forth, the last two years of his term will be one of the worst disasters in the history of the U.S. presidency. I know that the President has been committed to the 'magic of the marketplace' slogan. I know that giving up that slogan will be very painful for him. However, I believe that the President who launched the SDI has within

him the qualities needed to abandon an economic policy which has failed him and our nation."

LaRouche's statement is intended "to highlight the indispensable part I have to contribute in saving this nation from economic disaster."

The candidate tweaks the noses of the failed economists: "I have often described myself as the world's leading economist. If we consider the poor quality of my competitors, that is not the pretentious claim some news media describe it to be." With his characteristic kind of humor, LaRouche adds: "We live in a time, when the qualifications for the Nobel Prize in economics are two. First, the candidate for the award must advocate an economic theory which is wildly absurd. Second, the candidate's economic dogma must have caused a major disaster in at least one nation of the world."

## Qualifications as an economist

In a more serious tone, he adds: "My qualifications as an economist are three. First, I am one of the very few living economists who represent the economic policy on which our republic and its past economic successes were based: the policy which U.S. Treasury Secretary Alexander Hamilton was first to name 'The American System of political-economy.' Second, the economic forecasts which my associates and I have produced, are the only accurate forecasts published by either governmental or private agencies during the past seven years. Third, my recommended policies are policies of the type which have been proven, repeatedly, in past experience, as the only effective way to organize a general economic recovery from a depression."

LaRouche admits that his policies have had only limited support until now. "Until now, a very large and growing minority among our fellow-citizens have either supported my economic policies, or have at least thought they ought to be given wider, more serious attention. However, until the recent months, I have been criticized along the lines, 'How can we take your ideas seriously, when every leading authority agrees that there is an economic upsurge in process?'"

However, "Now, with the results of the Nov. 4 elections, the majority of Americans have openly rejected the myth of the 'economic upsurge.' As a result of the election, people have discovered that their friends and neighbors don't believe in the myth of the 'economic upsurge.' It is now considered acceptable social behavior to state openly that the 'economic upsurge' never occurred.

"Now, a growing number of the citizens who used to say to me and my friends, 'You are wrong about the economy,' are saying now, 'I guess you have been right all along.' Now, many who blocked out my warnings on the economy, earlier, are eager to hear my analysis, and to hear what I propose must be done."

LaRouche warns, that some strange economic quack-cures for the depression are already beginning to pour out of the mouths of the same set of experts who led us into this



depression. He mentions as an example, the proposal to solve the problem of worldwide "overproduction," by new international trade agreements, to cut the levels of food-production and manufacturing output in all countries, at a time when there is a worldwide shortage of food, and of every other kind of basic physical commodity.

### **LaRouche's program for recovery**

Lyndon LaRouche's U.S. recovery program is composed of two major ingredients. The first set of ingredients are "purely economic." They are policies addressed to the physical side of production and distribution of goods and essential services. The second set of ingredients are a set of fiscal and monetary measures, including introduction of a very strong "investment tax-credit" incentive.

On the physical side of the economy, LaRouche's policy is to reduce both wasteful and non-essential forms of employment and expenditure in "overhead expense," while increasing the percentage of the total labor-force employed in manufacturing and in development of basic economic infrastructure. At the same time, the average productivity of goods-producing operatives is to be increased, through high rates of investment in new technologies of both production and design of products.

On the money side of the economy, LaRouche would undertake a combination of actions.

The first part of this combination of measures is emergency measures, needed to freeze the nominal value of financial assets by law, to prevent a chain-reaction of bankruptcies from shutting down a large part of our national banking system.

The second set of monetary and fiscal measures, is long-term restructuring measures. 1) A currency reform, creating a new gold-reserve-denominated issue of U.S. Treasury notes, to be issued solely for lending for such priority purposes as agricultural, industrial, and infrastructural investments, and hard-commodity export-credit. 2) A strong incentive for steering savings and retained earnings into such high-priority recovery investments, in the form of a general tax-reform built around an investment tax-credit program.

The secret of sustained economic growth, is high rates of investment in improved technologies. Government's job is to promote such basic economic infrastructure as fresh-water management, general transportation, production and distribution of increased supplies of energy, and so forth. Beyond that, government must use tax-policy and credit-policy as a way of stimulating investment in farms and industries which produce quality physical-goods output.

President John F. Kennedy's program of investment tax-credits, given its faults, is an example of the kind of tax-policy that increases employment, output, and productivity in the private sector. The principle is elementary. If private citizens, both as individual savers and business entrepreneurs, will invest their retained earnings in technological

progress in production of physical goods, those private citizens are helping the entire nation. They are increasing the tax-revenue base at all levels of government, and they are solving many economic problems which would otherwise be a cost of government. So, a wise government says: "The citizen who invests income in increasing productive employment and national wealth, ought not to be taxed at the same rate as the fellow who spends his income on wild parties or other useless consumption."

As a result of the Soviets' 1957 Sputnik success, the United States launched a broad range of measures in education, in research programs, and in development of both offensive and defensive missile-systems: a package known as the "post-Sputnik" aerospace program of the 1958-66 period. This program was adopted by President Kennedy, who gave the effort a new spark of motivation in his commitment to the manned Moon landing.

As a result of this package, during the first half of the 1960s, not only did the United States recover from that deep recession of 1957-59 which had defeated the Republicans in the 1960 election. The U.S. achieved the highest rate of growth of productivity since the 1940-43 period. This growth in productivity resulted chiefly from the spill-over of the new technologies of the aerospace sector into the civilian economy. The investment tax-credit was one of the principal channels.

Effective military technology is always based on the most advanced technology. Military industries tend to develop advanced technologies more rapidly than any other sector of industry, as well as having the highest ratio of investment in research. So, advanced technologies tend to spill over from military production, into improved civilian production by the same and other firms.

It is not necessary to have military mobilization, to sustain high rates of productivity in economies. If we in the United States, decided to steer about 10% of the employment of our labor-force into known areas of advanced scientific development, for example, the United States would automatically achieve the highest rates of growth of productivity in history, and would do so indefinitely. So far, in most cases, most nations have been unwilling to sustain a high rate of technological progress for long, without a military incentive to do so.

We need four kinds of technologies which are on our frontier: Controlled plasma processes; controlled coherent directed energy pulses, such as high-powered lasers; optical biophysics; two qualitative improvements in computer systems. LaRouche has proposed a Moon-Mars colonization project, including the beginning of permanent colonization of Mars about 40 years from now, as the new sort of "Apollo Project" which will force the development of these technologies, not only as indispensable technologies for space exploration into the Mars orbit and beyond, but as the driving force of technological progress here on Earth.

# After five years under Jaruzelski, Poland is Russia's '16th republic'

by Tadeusz Rejtan

*Editor's Note: The following article was submitted to EIR from a Polish national who has traveled extensively inside Poland, both during the pre-1982 Solidarnosc era, and after General Jaruzelski's imposition of martial law. The author was recently in Poland for an extensive period, and his article—slightly edited for English language content—forms Part I of his observations, buttressed with statistics documenting the extent of the horror that has befallen the Polish nation in the past five years. Part I documents the overall devolution of the Polish economy under five years of Russian enforced "integration" with the Soviet economy. Part II will focus on life in Poland—the appalling collapse of health, sanitary, and environmental standards, and the profound negative psychological changes induced by rampant pessimism afflicting Polish society after five years as a colonial appendage of the Russian Empire.*

*The story is not a pleasant one, but knowing the truth of the enslavement of a nation is the first precondition for fashioning a strategy of liberation.*

—Konstantin George

The 10th Congress of Poland's ruling communist party, the Polish United Workers' Party (PUWP), took place in Warsaw in the last days of June and the first days of July. Soviet leader Mikhail Gorbachov, addressing the congress, declared that the Soviet Union and Poland were the "two largest states" in the Warsaw Pact, going on to proclaim a "special relationship" between the two Slavic nations. Gorbachov's declarations were solid proof that dictator Jaruzelski has earned unique recognition as Moscow's favorite governor-general in an Eastern European colony.

Gorbachov was not expending empty words in praising Jaruzelski. Under Jaruzelski's rule, beginning December 1981, Poland has been transformed from a nation enjoying at least limited sovereignty into—literally—an economic as well as political appendage of the Soviet Union. In the 1970s, about half of Poland's foreign trade was with the West, and no more than a quarter with the Soviet Union. Now, over half of Poland's foreign trade is with the Soviet Union alone. Poland's dependency on Russia for nearly every critical raw material is all but total. Under Jaruzelski, Poland has be-

come—economically—a "16th Republic" of the Soviet Union.

In the past, Russia invaded unruly satellites. Poland has met the same fate through slow strangulation. Let there be no mistake about it. If the Czechoslovakia 1968 method—a sudden foreign military intervention, the cynical proclamation of the "limited sovereignty" of socialist states (the "Brezhnev Doctrine")—seems more brutal than what was applied in Poland—the final effect on the Polish population has been much worse. Like all the Pétains in history, Jaruzelski may think that "someone had to do the dirty job" and that he represented a lesser evil compared with the bloodshed a direct Russian military intervention would have caused. One can spin endless "what ifs" on this question, but this is only an idle exercise.

Despite all the official claims, Poland is today in a worse state than before 1980. And laying the blame on the "errors" of his predecessor, the corrupt Gierek and his clique of bungling upstarts, on the strikes of the Solidarnosc period, on the U.S. economic sanctions, etc., is but a poor propaganda trick. Indeed, as Lech Walesa has many times pointed out, had the postulates put forward by Solidarnosc been accepted and implemented, the social and psychological preconditions for a mobilization of the nation would have been met, creating the groundwork for a solution of Poland's most dramatic economic problems.

## **Physical survival of Poland endangered**

The Polish regime, having stubbornly rejected any dialogue with Solidarnosc, bears full responsibility for the disaster characterizing the Polish economic situation—a disaster that physically endangers Poland's existence as a nation. Some facts and figures will illustrate how tragic the situation is.

Because of Soviet looting—the forced exporting of the bulk of industrial production at artificially low ruble prices to meet Soviet requirements, while being compelled to import Russian raw materials at inflated ruble prices—Poland is undergoing a process of devolution affecting its economy, its natural environment, the very life of its population: It faces an economic collapse, an ecological holocaust, and a regress of its people's health to 19th-century levels.

The dynamic of this process can be read in the figures for net investments in constant capital per capita: if 1977 = 100, then

1978 = 95.6

1979 = 80.1

1980 = 59.1

1981 = 44.4

1982 = 35.2

1983 = 38.3

1984 = 42.5

1985 = 44 (1985 figure is gross investment)

Although a slight improvement can be noted from 1983 on, it is clear that the rate of this "recovery" is slowing down. What is more, the discrepancy between planned and actual openings of new production facilities is widening: In 1984, 69.8% of the Five Year Plan targets were reached, in 1985 only 65.7%.

The result is a massive, dramatic decapitalization of industry. Poland's productive potential is not even maintained, it is rapidly deteriorating. Actual investment (taking depreciation into account) is actually negative: If in the mid-1970s, the average "wear factor" (depreciation) of machinery was 49%, it was above 60% in 1984.

Reflecting this tendency, in 1985 the GNP was 12% lower than in 1978, this figure reaching 18% for GNP per capita. After the collapse of 1981 (annual growth of GNP was negatively 12%) there has been an upward tendency. Only that, here again, the figures tend toward zero growth:

1983: +6%

1984: +5.6%

1985: +3%

All these are official figures, and the statistical offices of socialist countries have never been known for their pessimism. Reality is probably much worse than this already bleak picture.

### **Soviet built-in looting mechanism**

The future, as the Five Year Plan for 1986-90 admits, is no brighter. According to the most optimistic scenario (an average annual GNP growth of 4%), in 1990 the GNP per capita will reach its 1978 level. A more realistic assumption (average annual growth of 2 to 3%) results in a figure 8-10% lower than the 1978 one.

In a book published by the official central School of Planning and Statistics, entitled *At the Source of the Polish Crisis* (Warsaw 1985), Professors Herer and Sadowski write: "The good side of the different scenarios of the national economic and social plan for 1983-1990 . . . is the demonstration that . . . before 1990 our economy is incapable of providing for not only a significant improvement in the standard of living of the population and the satisfaction of the fundamental investment needs, but also of reducing the level of indebtedness [emphasis added]."

And indeed the foreign debt of Poland seems an unsolvable problem. Amounting to \$31.2 billion (not to mention

debt to the socialist sector—i.e., to Mother Russia—running into the billions of rubles), servicing it adds up to \$3 billion a year. But the trade surplus was no more than \$1.5 billion in 1983 and 1984, and down to \$1.1 billion in 1985. The foreign debt to exports ratio which was 2.9 in 1980, jumped to 4.7 in 1984, and reached 5 in 1985.

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One has to bear in mind that at least part of this debt was incurred as a result of one of the looting mechanisms the Soviet Union built into the Comecon, its Eastern European trade organization: Poland borrowed in the West in order to finance projects whose production was largely sold to Russia for rubles, which then could only be spent within the Comecon, mainly buying equipment from Russia too obsolete even for Russian industry. Poland is left with the debt, which it desperately tries to honor through the looting of its natural resources and population.

To quote Polish economist Ryszard Bugaj, writing in the Polish Catholic weekly, *Tygodnik Powszechny* (January 1986): "Even if in some branches, the pressure for potentially enforcing more efficient action does exist, it often collides with the material barriers arising from the disproportions that exist in the economy. Acquiring the simplest materials, the authorization to undertake even small investments, and often obtaining credits for them, can be an insurmountable problem."

The general obsolescence of the Polish economy is such that it has become largely unable to absorb and benefit from whatever technical innovation Polish R&D centers can produce. In the words of a Warsaw engineer, expressing his disgust to the author: "You cannot fit a turbo-charger to a horse-driven cart."

*Next week: Part II. What it means to the population to live under such conditions. The collapse of living standards, health standards, and sanitary conditions.*

# Thailand's Kra Canal project takes a big step forward

by Sophie Tanapura

Ever since the aborted coup attempt of Sept. 9, 1985, which created an overall climate of political uncertainty, many decisions by the government of Thailand have been postponed.

However, long-awaited cabinet approval recently of the much debated Eastern Seaboard Project, now lends hope for other infrastructure projects waiting for a go-ahead. The revival of the Kra Canal project in the public eye by the prestigious Chulalongkorn University of Bangkok, may just take the controversial discussion of the infrastructure project in the right direction.

Over the weekend of Nov. 7-9, a public conference was organized by the Chulalongkorn University Social Research Institute and the Faculty of Engineering to promote the Kra Canal. Delivering the opening speech on the first day of the conference, Deputy Prime Minister Chatchai Choonhavan of the Chat Thai Party spoke in favor of the canal project, and promised to play an active role in pushing it in cabinet meetings.

Chatchai will certainly receive support from Deputy Prime Minister Adm. Sontee Boonyachai in this task. The conference was led off by Chunpol Silpa-acha, deputy speaker of the house, also of the Chat Thai Party and younger brother of Minister of Communications Banharn Silpa-acha of the same party. Chunpol is a fervent advocate of the canal project.

The comeback of Chat Thai in the governing coalition may become one of the key factors in shifting the government's policy away from strict monetarist concerns and toward development of basic industries and infrastructure projects. The Chat Thai Party is known as the "industrialists' party," and has close business links with Japanese interests. It played a decisive role in finally swinging government approval for the Eastern Seaboard Project, which includes a petrochemical complex as well as a deep-sea port at Laen Chabang.

## The Kra Canal's 200-year history

The Kra Canal Project was not proposed yesterday, but 200 years ago. The original idea was conceived by Chao Phya Surasinghanat, the younger brother of King Rama I, in 1783, when it was suggested that a "klong" be built to connect Lake Songkhla with the Andaman Sea. Later in the 19th century, the British made a proposal to link the two coasts by railway, whereas the French sent a survey expedition for an

eventual canal project. During the same period, the famous French engineer de Lesseps was working on the Suez Canal. Then, much later, in 1973, the American consulting firm Tippet-Abbot-McCarthy-Stratton (TAMS) carried out an engineering and economic feasibility pre-study that perhaps lacked only an elaboration of the full industrial-zone potential. Four years later, the Japanese Global Infrastructure Fund (GIF) study group included the Kra Canal complex in its 15 super project proposal to revive the world economy.

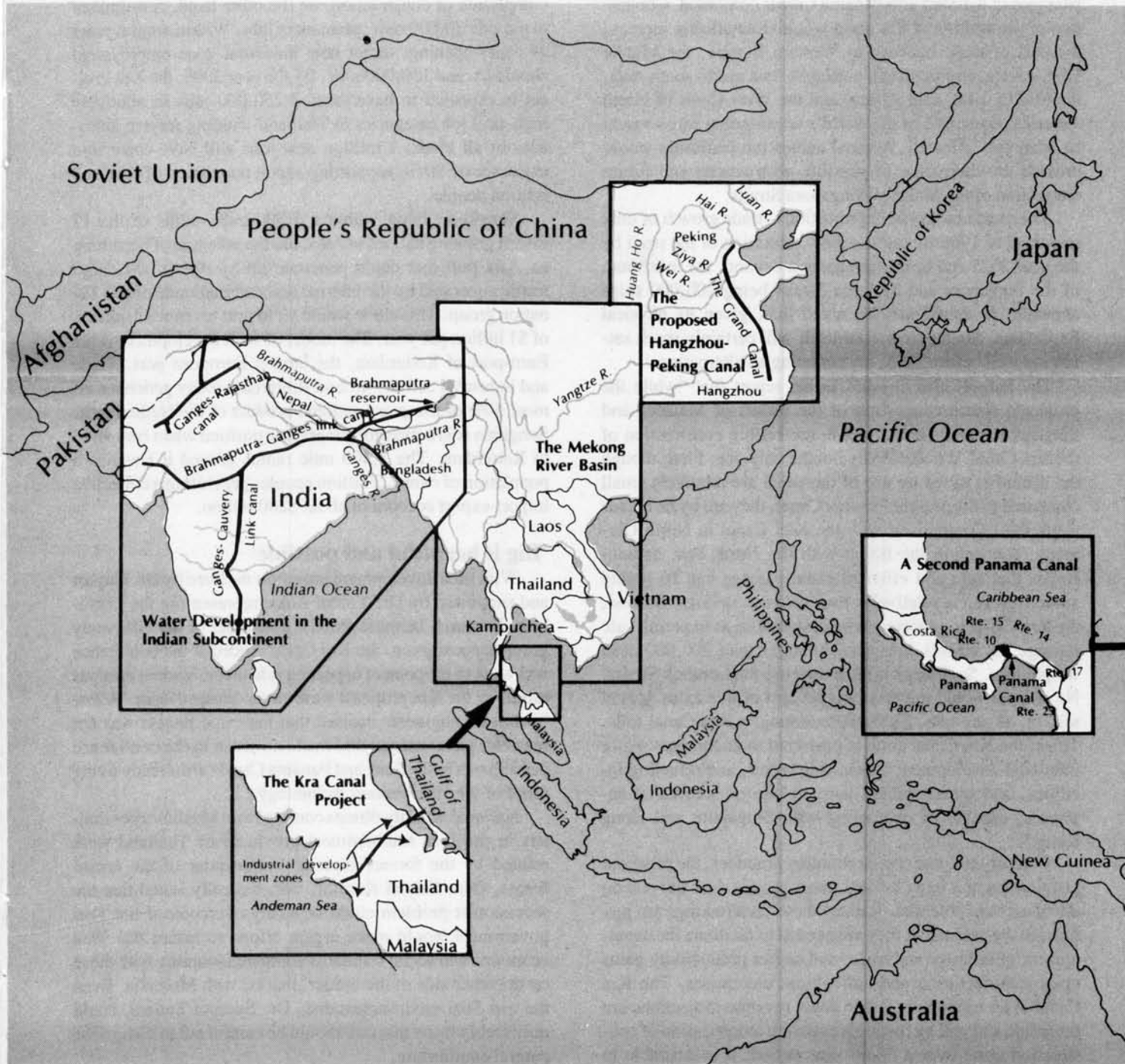
It was not until 1983, when the Fusion Energy Foundation (FEF) and *Executive Intelligence Review* (EIR) decided to open branch offices in Bangkok, that a major public effort was made around the Kra Canal Project and it became once again alive for the Thais. Both FEF and EIR joined the ministry of communication to organize two very successful conferences on the subject in 1983 and 1984, which sparked a broad public interest and discussion within the establishment. In 1985, the project was considered in the National Defense College and the Thai parliament, which recently set up a new parliamentary commission to continue the study.

As a result of the recent Chulalongkorn conference, with an overwhelming majority of the audience and the speakers in favor of the project, it was decided that a Kra Canal Information Center would be set up. It will be led by Dr. Boonrod Binson, the chancellor of the university. Back in 1973, Dr. Boonrod worked with K. Y. Chow, a leading Thai Chinese businessman in Bangkok who had financed the TAMS pre-feasibility study. Today, Dr. Boonrod heads the Chow Foundation, and it is known that Mr. Chow is very keen on the canal and its industrial potential.

## FEF updates TAM study

Representing the FEF at the conference, Dr. Uwe Henke v. Parpart made available to the participants perhaps the most comprehensive update of the TAMS preliminary survey of the Kra Canal complex. The FEF update aims at reviewing the economic feasibility of the canal itself, given the change in both eastbound and westbound cargo traffic, and expanding the study of the industrial impact of the canal project on the Thai economy. The FEF study pointed out that the world's most important ocean basins carrying a high percentage of world trade are connected by narrow natural or artificial waterways, the obstruction of any of which would have se-

## Great projects for development of the Pacific and Indian Oceans' basin



The map shows five projects for development of the Pacific and Indian Oceans' basin, proposed by EIR and the Fusion Energy Foundation in a 1983 study: 1) the Kra Canal project, 2) the Grand Canal modernization project in China, 3) the Mekong River development project, 4) the water development project for the fresh-water potentialities of the Indian subcontinent, 5) the construction of a second Panama Canal. The current revival of the Kra Canal project could provide an impetus for the other projects in the region.

vere consequences for the world economy. The 1967 closing of the Suez Canal provides a relevant example.

Of these waterways, the 600-mile Malacca Straits is by far the most heavily traveled, with more than twice the ship passages of the Suez and Panama Canals combined. Congestion or obstruction of this strait would dramatically increase the cost of trade between a) Western Europe, the Middle East, Africa, and south and northeast Asia and b) south Asia, the Middle East, east Africa, and the West Coast of North America. Over 10% of the world's ocean-going cargo would be adversely affected. A canal across the peninsula would provide an alternative to possible obstructions and future congestion of the Malacca-Singapore Straits.

The most conservative projection—trade growth of only one-third of 1960-80 rates—show saturation of the strait by the year 2025 and unsafe congestion beyond, the maximum of the Singapore and Malacca Straits being 200,000 ships annually. It should also be noted that, given its physical limitations, Singapore harbor itself will certainly reach saturation well before 2025, necessitating an alternative.

Dr. Parpart also stressed in his report that "while the projected future congestion of the Straits of Malacca and Singapore is an essential fact in motivating construction of the Kra Canal, it is decidedly not the only one. First, though the distances saved by use of the canal are relatively small compared to the present Panama Canal, they are by no means negligible. Comparison with the Kiel Canal in North Germany, connecting the Baltic with the North Sea, demonstrates that safe and efficient canal passage can be highly attractive even at relatively small distance savings. Second, the Kra Canal is expected to be designed so as to permit safe passage for vessels considerably larger than 200,000 dead weight tons. Such vessels must now use the Lombok Straits. No shipper would mind saving the cost of five extra days at sea, or, at any rate, \$100,000 counting in Kra Canal tolls. Third, the Kra Canal zone is projected to encompass major industrial development zones, ship repair, and refueling facilities, and transshipment ports at one or both canal entrances, capable of competing with Singapore and Hong Kong."

Contrary to some cost-accounting practices, the principal justification of a large infrastructure project does not rest on direct earning potential. Rather, these undertakings are justified to the extent that they are needed to facilitate the development of industry and trade, and confer productivity gains upon manufacturing and agricultural enterprises. The Kra Canal is no exception. While canal revenue projections are favorable and will by themselves permit amortization of construction costs over a 50-60 year period, it is desirable to shorten this time span by factoring in modest amounts of taxation of the port and industrial-zone earnings, which owe their existence to the canal undertaking.

Port development and industrialization around the canal zone will provide employment for up to 1 million people.

Direct construction-related employment will be approximately 25,000 new jobs, and indirect construction-generated employment will create at least 125,000 new jobs. Most construction employment in port and canal operations upon completion of construction, on the other hand, is estimated to provide 30,000 new, permanent jobs. Within several years of canal opening, direct new industrial zone employment should exceed 150,000 jobs. By the year 2005, the Kra Project is expected to have created 250,000 jobs in relatively high-skill job categories in Thailand. Adding service industries of all kinds, 1 million new jobs will have come into existence by 2010, supporting a total population of at least 3 million people.

Songkhla, lying within a 1,500-mile radius of the 12 fastest growing nations in Asia, has the potential of becoming an Asia port that could penetrate up to 10% of the cargo traffic generated by the internal and external trade of this 12-nation group. This alone would yield port revenues in excess of \$1 billion per year. The model of such development is the Euro-port of Rotterdam, the largest European port. Trade and industrial activity around Rotterdam today generates almost 50% of the gross national product of the Netherlands. Songkhla is in a superior geographic position when compared to Rotterdam. The 1,500 mile radius around it contains a population of over 1.2 billion people, generating a collective import-export account of about \$200 billion.

### **'Big is beautiful and possible'**

With such development prospects outlined by Dr. Parpart and supported by Dr. Yoichi Aoki, representing the Mitsubishi Research Institute (MRI), a member of the GIF study group, opposition to the Kra Canal voiced at the conference was weak to the point of appearing ridiculous. Various spectres raised by the Kra proposal were easily brushed aside. A few "political" engineers insisted that the canal project was not feasible, an insistence that made no sense to the conference participants as the Suez and Panama Canals are already living proof of the 19th-century technology.

National security threats coming from Muslim secessionists in the four southernmost provinces of Thailand were refuted by the former supreme commander of the armed forces, Gen. Saiyud Kerdtof, who basically stated that the secessionist problem could be easily overcome if the Thai government would make urgent efforts to insure that Thai economic and social standards compare favorably with those on the other side of the border, that is, with Malaysia. Even the top Thai environmentalist, Dr. Surapol Sudara, could only feebly insist that one should be careful not to disturb the natural equilibrium.

Within the short period of three years, it can be said that the FEF and *EIR* have succeeded in not only keeping the Kra Canal concept alive, but sparked enthusiasm in Thailand for the idea that "big is not only beautiful but also possible." In so doing, an important cultural paradigm shift has begun.

# Zaire condemns IMF, economic liberalism

by Mary Lalevée

As reported in the last *EIR*, the government of Zaire has officially broken with the International Monetary Fund and has followed Peru's example of imposing a 10% limit on the amount of export revenue that can be used for debt servicing. *EIR* has now received the full text of President Mobutu's speech to the central committee of Zaire's only political party, the Popular Revolutionary Movement (MPR), and the final declaration of the central committee, made on Oct. 30, 1986.

President Mobutu made clear in his speech that "nothing will be the same as before," following the month-long central committee meeting and its decisions. He described how the economic health of the country had been examined in detail during the meeting: "We have gone over and over the figures, we have turned them this way and that way. There again, figures, as they say, are stubborn." While austerity was necessary to face the difficult situation, said Mobutu, "it will no longer be this kind of austerity for austerity's sake. For this conception and this vision of things has been shown to be negative for the health of the Zairean economy. We will demand efforts which bring hope, and not rigor for rigor's sake at the risk of indefinitely having rigor. . . . A country, especially a young county, cannot sacrifice everything just to pay its external debt for very long.

"Our partners should understand that the bilateral agreements and cooperation programs that Zaire has concluded do not mean that the country intends to alienate its sovereignty and its independence."

As an example of the deliberate interference in Zaire's affairs by the IMF, he reported that certain projects proposed by local enterprises, rejected as unsuitable by the Zaire authorities, had then been insisted on by "certain international organisms," and that government decisions had been "side-tracked, frozen, or simply contradicted" by these same "organisms."

President Mobutu stressed that the government of Zaire would respect all its commitments, "but in the sense of a new approach which will no longer sacrifice the vital interests of the Zairean people and the nation."

The statement of principle by the central committee begins with "bitter observations" by President Mobutu on Zaire's economy, in which he cited: "the level and quality of life of

the population, the increase of prices in the markets . . . the drop of production in the main sectors . . . the continued depreciation of the Zairean currency, difficulties of access to credit and the insufficient levels of credit available . . . exorbitant interest rates, fraud and smuggling. . . ." This situation "is largely due to the constraints and limits of the IMF stabilization programs, to the irrational and inadequate management of resources, and to an anachronistic conception of economic liberalism."

The central committee declaration describes in considerable detail how the four years of austerity imposed by the IMF had ruined the economy: "Four years of austerity have been devoted to the payment of the external debt, to the detriment of the relaunching of the economy [and] investments in productive sectors." The country had become a net exporter of capital, and this was "incompatible with the perspective of a real recovery. . . ."

The MPR's economic policy "is based on economic nationalism," says the statement, whose aim was "economic independence and the economy in the service of man," in contrast to the policy of "economic liberalism" which had been applied in Zaire. The central committee roundly attacks this economic doctrine, saying that "economic liberalism ignored the realities of the country . . . led to monetary reform whose effect has been to destabilize the Zairean currency . . . did not take into account the international environment . . . tried to take over the state's authority as regulator of the economy in the service of man . . . led people in Zaire to believe, wrongly, that economic liberalism is opposed to the safeguarding of national industry and even the national labor force, for no country, whatever its level of development, can open its national market without any restrictions . . . has contributed to impoverish, if not to strangle our economy, even more so given that concrete measures taken have been principally dictated by the IMF. . . ."

The statement goes on to accuse the IMF of trying to impose "the economic recolonization" of Zaire, and charges that this "abuse of cooperation to destabilize the institutions of a friendly country [is] inadmissible and contrary to the United Nations declaration on international law concerning friendly relations and cooperation among nations. . . ."

"The state is not dead in Zaire, it has not abdicated its responsibilities, and intends to continue playing a role of motor and regulator of the economy. . . . Zaire is an independent and sovereign state. . . ." The statement concludes with the decisions taken: "1) Any program with the IMF must, from now on, be seen as a supplement to national efforts. . . . 2) The structure of the budget must give priority to the development of the country and the efficient functioning of the state, sole guarantees of the increase in resources to continue repayments of debt." The central committee then states that not more than 10% of export revenue and not more than 20% of the budget should be used for debt repayment.

Indeed, nothing will be the same as before.

# Do You Have the Latest Ammunition To Fight for the SDI?

## Japan and the SDI: An Inside Look

Japan's full-scale participation in the U.S. Strategic Defense Initiative could shorten the research time for deployment by a full two years, and bring enormous economic and defense benefits to Japan.

How this can happen is detailed in the just-published transcript of a two-day conference in Tokyo, "SDI: Military, Economic, and Strategic Implications," sponsored by the Fusion Energy Foundation and the Schiller Institute on April 22-23, with 180 members of Japan's scientific and political elite in attendance.

The consensus at the end of the two days was that Japan's participation in the SDI as an equal partner is both necessary and urgent. As Prof. Makoto Momoi of the Yomiuri Research Center put it, "Every day that Japan does not participate in the SDI is another day lost" in the battle to counter the Soviet threat.

Top U.S., European, and Japanese scientific, military, and political representatives discussed:

- the latest technologies of the SDI;
- specifically what Japan can contribute;
- the political climate in Japan;
- the nature of the Soviet threat.

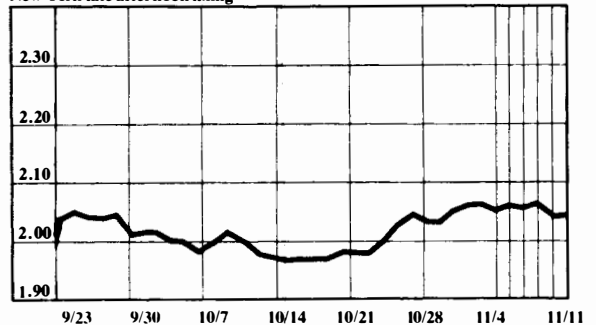
Fully documented at the conference is how SDI technologies will bring about a 100-fold leap in energy flux density, abruptly reversing the decline in productivity in industry.

**Now, the full proceedings of the conference are available in a transcript. Order your copy for \$100.00 by writing the Fusion Energy Foundation, P.O. Box 17149, Washington, D.C. 20041-0149. Or call (703) 774-7000 to place your order by telephone. Visa/MasterCard accepted.**

## Currency Rates

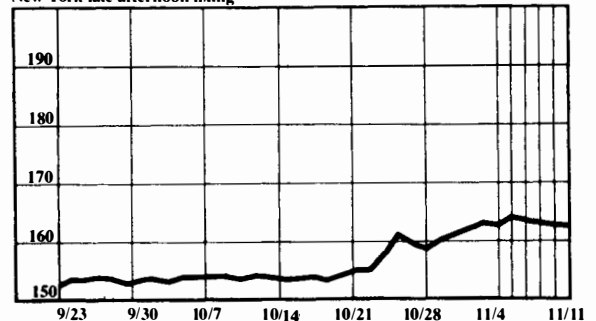
The dollar in deutschemarks

New York late afternoon fixing



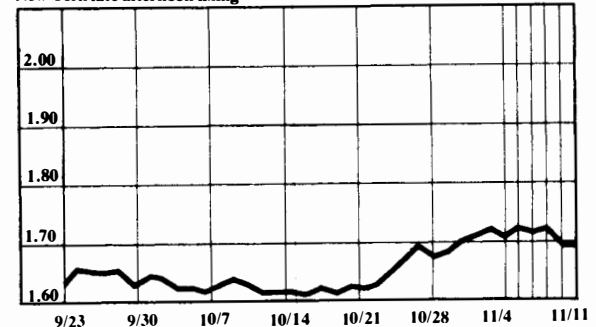
The dollar in yen

New York late afternoon fixing



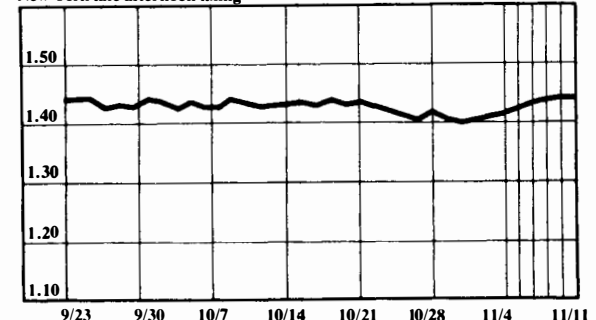
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing





## Japan's 12-month withdrawal scheme

*Japanese subsidies of U.S. financial markets cannot go on indefinitely, and Tokyo is preparing for the worst.*

**T**he largest, and most disappointed, investors in the Republican Party's shattered electoral effort were not the party contributors who put up \$190 million in campaign funds, but, rather, the Japanese. The stabilization of the U.S. dollar and the rise in securities markets, immediately prior to the elections were the result of a return by Japanese institutional investors to the American markets, with the official encouragement of the Japanese government.

President Reagan did a favor for Japanese Prime Minister Yasuhiro Nakasone last June, well-informed Tokyo sources explain, by easing pressure on the Japanese trade surplus just before the June elections which returned Nakasone with a strong majority. The prime minister, as well as Finance Minister Miyazawa, wanted to return the favor to Reagan, a valued political ally.

On the surface, the favor came in the form of the Oct. 31 agreement to "coordinate economic policies," announced by Miyazawa and U.S. Treasury Secretary James Baker. There is both more and less to this agreement than meets the eye. The government action was the signal for a coordinated move into American markets by Japanese institutions, which had begun to reduce their American presence sharply during the third quarter.

During the third quarter, virtually all the foreign support for the American government-securities market took

the form of support for the dollar. In other words, foreign central banks, mainly the German and Japanese, bought unwanted dollars on the open market, and invested the proceeds in U.S. Treasury securities. Private investors from those countries remained on the sidelines. That created a situation in which various of the leading investment houses speculated that the dollar might fall by an additional 10-25% in the near term. The Nakasone government's encouragement to Japanese private investors was probably the only thing that could have prevented such a collapse.

Apart from the display of Japanese financial muscle, there is no content whatever to the agreement. That much appears obvious to the usual commentators, e.g., the London *Economist*, which dismissed the whole business as "coordinated public relations rather than coordinated economic policy." After an initial sharp rise on the foreign-exchange markets, the dollar fell back through the week of Nov. 10, as this perception spread.

Tokyo policymakers, in informal discussion, formulated the problem as follows: Japan is subsidizing the American economy by shipping a net \$50 billion worth of goods to the United States per year, and investing the proceeds in U.S. securities. The word, "subsidy," would never be used in public, but the fact that America now imports net one-fifth of its total consumption of physical goods bears

no other description.

Tokyo is painfully aware that this cannot last indefinitely. However, policymakers estimate—correctly—that a sudden stop in Japanese financial flows into the United States would produce a shock that would probably bring down the American banking system. The repercussions of this would hurt Japan as well; therefore the Japanese cannot simply cut off the flow.

Neither can they maintain it indefinitely. The objective which Tokyo has set for itself is to gradually reduce the level of net flows to zero over the next 12 months. That implies the same collapse, but at a slower pace. Tokyo sources rationalize the decision as follows: The United States must take action to reduce its trade deficit, while Japan must take action to reduce its trade surplus. If, over the next 12 months, both sides can make substantial progress, then America's demand for foreign funds will be substantially lower.

Already, Tokyo is preparing itself for bitter disappointment. American voters were not impressed with the charade on the financial markets. "Perhaps Americans do not follow the yen/dollar rate as closely as do the Japanese," complained one economist. Nakasone's favor did not help.

The post-election layoffs did not inspire Japanese confidence, either. So-called restructuring at General Motors, Westinghouse, General Electric, Goodyear, etc. amounts to less American industrial capacity, and more imports—precisely the opposite of the supposed American commitment to reduce the trade deficit.

Under these circumstances, how long can the public-relations exercise be expected to stabilize the yen-dollar rate? Tokyo, sources say, is hoping for two months; even that might be wildly optimistic.

## IMF joins 'Islamic' threat to Egypt

*International Monetary Fund caught red-handed helping the Islamic terrorists try to overthrow a U.S. ally.*

**I**f you lose Egypt, you will lose everything in the Middle East," warned the Egyptian defense minister, Marshal Abu Ghazala, in an interview with the *Wall Street Journal* on Nov. 5. But at the very moment Egypt was trying to quell Islamic-fanatic riots, Wall Street's pals at the International Monetary Fund (IMF) put the squeeze on the country for more austerity. This will fuel the unrest, and may topple the moderate government of President Hosni Mubarak.

In an unexpected move on Nov. 9, President Mubarak dismissed the entire cabinet, firing Prime Minister Ali Lufti and replacing the economic and finance ministers. The action came in the middle of Lufti's negotiations with an IMF team in Cairo. Egypt is negotiating for a \$1 billion standby credit from the IMF, but the IMF is insisting on massive austerity measures.

Egypt has been in "cessation of payment" since December 1985. The budget deficit doubled between 1983 and 1984, becoming a quarter of the GNP by 1985, with the foreign debt rising to \$36 billion. More than 40% of the Egyptian population lives below the poverty line, and relies on government subsidies to purchase essential food; such subsidies amount to 20% of the national budget.

The fall in the oil price has undercut Egypt's income from oil exports (down \$1.2 billion this year), as well as the revenues sent back to Egypt by Egyptian workers abroad, to \$400 million in 1985 compared to \$1 billion in 1984.

The IMF recipes for this amount

to the usual medicine: devaluation of the Egyptian pound, higher domestic interest rates, and cuts in the subsidies. There are conflicting reports on how far former Prime Minister Lufti was prepared to go in implementing these demands. While some indicate that Lufti had not gone far enough, the *London Times* on Nov. 10, quotes sources saying that Mubarak "was worried that Mr. Lufti was going too far to meet the demands of the IMF bankers. He had reportedly already agreed to a demand for high bank interest rates and a new foreign exchange rate, a decision that Mr. Mubarak feared would result in so sudden an increase in prices that he might be faced with civil unrest on a scale similar to that faced by President Sadat during the 1977 food riots."

In fact, when Lufti came into office in September 1985, he had imposed "drastic measures" which led directly to price increases. This created violent discontent, expressed in last February's riots, in which 107 people were killed.

However, it is far from clear what difference there will be between the policies of Lufti and his successor. Prime Minister Atef Sitki, an economist who has headed the central auditing agency for the last five years, is reportedly in favor of cutting the subsidies, and a new exchange rate. If this is the case, the dismissal of Lufti will prove to be another of the IMF's dirty tricks.

Meanwhile, it is clearly a desperate attempt by President Mubarak to buy time. Both the statements of Mu-

barak and of Setki, after the reshuffle, were ambiguous: Setki announced that subsidies would continue but that he would make sure that only those who needed them benefited from them. President Mubarak warned that the Egyptian population should expect a "program of austerity" to overcome the economic crisis, and called on opposition parties to cooperate in dealing with the crisis.

The IMF's demand, sure to build support for the anti-government fundamentalists, came as the government was attempting to halt the spread of "Islamic" insurgencies. Serious riots erupted in the Upper Egyptian city of Asyut on Nov. 1, and similar disturbances broke out in Cairo and Alexandria. At least one person was killed in Asyut. Police authorities blamed the violence on "provocations by Islamic extremists" in the mosques of the city. Over 100 arrests were made.

Interior Minister (and former governor of Asyut) Maj.-Gen. Zaki el Badr said on Nov. 3 that "foreign powers" were responsible for the riots, pointing out that the "Gamaat Islamiyya" (the Egyptian equivalent of the Iranian Komitehs) have received major financing from abroad. He didn't specify which countries were financing the fundamentalists, but Libya and Iran are the likely culprits. How helpful of the IMF to join their cause.

Women students have been banned from wearing chadors in the universities (the wearing of the Islamic dress was demanded by extremists). Government newspapers are campaigning to stop the use of loudspeakers in the streets by mosques under the control of the Islamic radicals. And on Nov. 3, Prime Minister Ali Lufti told an international business conference: "Islamists will not be allowed to destabilize Egypt."

Days later, Lufti was sacked.

## USDA releases another dud report

*The longest ever, it implicitly recommends bankruptcy as the only solution to farm production.*

On Nov. 12, one of the longest reports ever prepared by the U.S. Department of Agriculture was released, called, "Embargoes, Surplus Disposal, and U.S. Agriculture." It landed with a thud. The 650-page study (No. AGES860910) was commissioned by Congress in 1985, mandating the USDA Economic Research Service to conduct an analysis of what effect food trade embargoes have had on U.S. agriculture in recent years; and, whether the Commodity Credit Corporation has harmed the agriculture sector by not selling surplus crop commodities abroad at discount prices.

A swarm of 60 individuals contributed to the report. They themselves work for various private and public institutes and agencies. The USDA Economic Research Service held a seminar on Nov. 12 to try to explain the contents of the study. They released a separate document ("Embargoes, Surplus Disposal, and U.S. Agriculture: A Summary," Agriculture Information Bulletin No. 503) that ran to 35 pages, just attempting to summarize the 650-page report proper.

However, the political intent of the study is clear: to provide ponderous "points of view" on how to improve farm income and food exports, while meantime scrupulously avoiding mention of the root cause of the calamity now overtaking our food trade and domestic food supplies both—the calculated policy of food reduction, farm elimination, starvation, and depopulation implemented by the Interna-

tional Monetary Fund, the World Bank, and related private banking, trust, and food-cartel companies.

The wrongheadedness of the report is shown clearly in the executive summary statement of what is stated as today's "problem" (page 34):

"The United States has extremely large grain inventories and faces a worldwide climate of surplus and increased productive capacity. In this climate, the cost of surplus disposal [subsidized exports, donations, etc.] would probably be much greater than that suggested by the above figures [various estimates]. As of May 1985, CCC and Farmer Owned Reserve wheat stocks amounted to 28.1 million tons, or 72% of last year's exports. Corn stocks in September 1985 stood at 15.5 million tons, or roughly 33% of exports. In recent years, world grain trade has stagnated. Disposing of this stock volume in the current international market environment would be difficult and expensive."

The unwritten conclusion to the report is that the United States will be better off when the farmers that are producing the non-"disposable" grain go bankrupt, and the grain stocks shrink to nothing.

The program that should be adopted is to scrap the IMF system. If the onerous IMF debt and trade restrictions were lifted, and replaced with new international treaty-commitments to food trade, parity-related pricing, and stable currencies, all tied to a mutual growth perspective, it would be obvious that there are vast

food shortages in the United States and abroad.

It is a lie to say there is an extremely large "surplus" of food in the world, and that there is an overcapacity of production. Starvation and increasing malnutrition show that there is a lessening of output and trade flow relative to need. This is dramatically shown by the release, the same week as the USDA report, of a U.N. Food and Agriculture Organization report, on agriculture commodity output projections for Africa into the next century. Per-capita cereals consumption in Africa is projected to drop from a current low of 273 pounds a year to 262 pounds a year or less. The consumption of roots (a low nutrition, caloric-filler foodstuff) will also drop. This spells death on a mass scale.

Under decades of IMF food trade restrictions, the entire pattern of food trade among Western nations—never adequate for filling mutual interest needs, is now falling apart. Farmers in every part of the world are being forced out of operation on a mass scale.

U.S. grain exports have dropped by over 35% since 1981. U.S. corn exports to the European Community have dropped by 70% in two years. Meantime, Canada and Argentina, other principal grain exporters, are also exporting millions of tons less each month. Canada's wheat exports are lagging by 20% this year. Argentina's exports are down 85% compared to a year ago. Australia has exported a record amount of wheat, but only by increasing exports to the Soviet Union and China.

Western European food output also is going to the Soviet Union in record quantities, because IMF restrictions prevent it from going to points of need in Africa. The IMF rationalization? Food imports should not compete with "native production."

# Business Briefs

## Health

### Sweden gives AIDS test to pregnant women

Sweden has become the first country in the world to give routine AIDS tests to expectant mothers, according to the daily *Svenska Dagbladet*.

This project started Sept. 1 as a test project at two of the largest hospitals in Sweden, one in Stockholm, the other in Malmö. The tests are offered on a voluntary basis, but "our experience is that practically 100% of the pregnant women take the test," says Sam Brody, who heads the women's clinic at Huddinge Hospital in Stockholm. "We are actually positively surprised over the positive attitude the women take."

Professor Margareta Böttiger, who heads the Royal Bacteriological Institute in Sweden, commented: "The goal is that all pregnant women in the large metropolitan areas in Sweden can be tested as fast as possible."

AIDS has become the number-one cause of death among newborn babies in France, doctors at a pediatricians' congress in Strasbourg revealed. The doctors warned that potentially 10,000 women could transmit the AIDS virus to their infants, based on extrapolations taken from the "high-risk group" population in France.

## Labor

### U.S. government fudges unemployment figures

The U.S. government claims a "stable" unemployment level of 7%—thanks to women and children in part-time jobs, according to the Labor Department figures released Nov. 7.

The figures indicate that the recent job losses in the economy have been offset by gains among women and teenagers who are working part-time. Out of 2 million people joining the workforce in 1986, three out of four are women.

Almost all of the increase in employment occurred in the low-paid service sec-

tor. While the absolute level of unemployment is wildly wrong—*EIR* estimates that the actual figure is more than 20%—the figures do reflect the reality that new jobs are being created only in the unproductive sectors of the economy.

## Agriculture

### U.S.S.R. revises wheat estimates

The Soviet Union now says that it expects a record high grain harvest, a development which will severely hit already weakened European and U.S. grain export prospects. Ideological Secretary Yegor Ligachov on Nov. 7 announced that the harvest this season is expected to be a remarkable 30 million tons more than the average of the past five years.

The announcement came as a shock to the U.S. Department of Agriculture, which had estimated a harvest of only 180 million tons, 30 million less than that announced in Moscow.

If the Soviet figure is correct, it will be the best harvest since the record 237 million tons in 1978. European grain-trading sources report huge Soviet grain stockpiling in recent years.

## Domestic Credit

### FDIC head warns of mushrooming debt

Federal Deposit Insurance Corporation chairman William Seidman told a convention of the U.S. League of Savings Institutions in San Francisco on Nov. 11 that total public and private U.S. debt has *doubled* since 1980, when Paul Volcker's Federal Reserve policy took hold—from \$3.6 trillion to well over \$7 trillion today.

"The current rate climb in debt in this country cannot be extended for many more years without the potential for unacceptably increasing risk," Seidman warned. "A level of defaulting debt exists that could jeopard-

ize the stability of our financial institutions."

The FDIC is adding a bank a day to its problem list; 300 have been added this year so far, bringing the total to 1,450.

## International Trade

### Oil surplus accumulates in Europe

The International Energy Agency of the OECD in Paris confirmed in early November reports of an abnormally large oil-stock buildup. According to the IEA report covering the period of July-September, OECD countries received, over and above normal demand, 3.5 million barrels per day (bpd) surplus crude stock.

The IEA claims that 2 million bpd represents a rise in depleted stocks of major companies. But an additional 1.5 million bpd is "unaccounted for," and is believed to represent stocks still at sea.

On Oct. 23, *EIR* reported that such a buildup was under way, citing a Rotterdam industry report that there was an "under-the-table deal" between Saudi Arabia and the major oil companies to keep prices up by buying above current needs.

## Asset-Stripping

### Goodyear charges 'economic terrorism'

The head of Goodyear Tire and Rubber Company accused Anglo-French financier Sir James Goldsmith of waging "a form of economic terrorism," in an interview with the *Financial Times* of London on Nov. 13. Merrill Lynch, the Wall Street investment company, has launched a bid to take over the world's largest tire manufacturer, and the effort is being overseen by world-renowned "asset-stripper" Goldsmith.

Goodyear chairman Bob Mercer attacked the U.S. government's refusal to intervene against the current rash of speculative takeovers of U.S. industry. Mercer said it takes a year to get Washington to approve

# Briefly

an environmental impact statement, "to stick a piece of pipe in the ground in Texas. Yet a foreigner can stick something right into Goodyear and simply by filing a Schedule 13-D with the SEC they are off and running."

The *Financial Times* adds that the current Goodyear-Goldsmith battle could spark Washington legislative response to corporate raiding abuses of the last four years.

Goodyear workers have reacted strongly against the prospective takeover. During the first week of November, residents of Akron-Canton, Ohio, and Gadsden, Alabama set up picket lines at Merrill Lynch offices, with rumors of an official boycott of Merrill Lynch by the United Rubber Workers union.

Goldsmith, who has been investigated by the Securities and Exchange Commission, though never charged, for his shady dealings in the past, has a history of taking over companies, laundering out the assets, and then leaving a bankrupt shell behind. He is linked with a network of European financiers affiliated with the Soviet-tied Swedish Gyllenhammer mafia of Anders Wall and Kissinger Associate Pehr Gyllenhammer.

## Manufacturing

### U.S. industrial giants close up shop

The Ford Motor Company announced on Nov. 11 that it would close its 12-year-old tractor plant in Romeo, Michigan, the last factory making small agricultural tractors in North America.

Production would be moved to existing Ford facilities in Europe, eliminating the jobs of 650 wage-earners and 175 salaried workers.

This was just one of several shutdowns by top U.S. industrial corporations, since General Motors announced, two days after the Nov. 4 elections, that it would close 11 plants, firing 29,000 workers:

- General Electric announced on Nov. 11 that it would close its manufacturing plant for color TV tubes in July 1987, eliminating 655 hourly and 135 salaried jobs in Syracuse, New York because the division could

no longer compete with competition from Japan and South Korea.

The announcement followed announced layoffs of 825 workers at G.E.'s medium-sized motor manufacturing operation in Schenectady, New York, which brings to more than 4,000 the number of job reductions in Schenectady announced by G.E. this year.

- On Nov. 12, Pratt-Whitney, the world's largest jet-engine builder, said it would eliminate the jobs of 1,500 to 2,000 salaried employees within the next 12 months.

- IBM, which had not laid off employees in about 40 years prior to 1986, announced the closing of its parts distribution center in Greencastle, Indiana, saying it would "re-assign" the center's 985 employees. This is the second plant closing for IBM this year.

## Nuclear Power

### Cattenom plant begins producing

On Oct. 24, the province of Lorraine in France entered the nuclear era, as the reactor at the Cattenom plant began operation. The plant will produce a total of 2 million kilowatt-hours this winter, and will allow a savings of 200 million francs. When all four sections have come on line, by 1990, some 10% of the total French production of electricity will come from Cattenom.

The opening of the plant was strongly opposed by various ecological groups, which attempted to create hysteria in the local population, and threatened violence if the plant were opened.

Jacques Cheminade, the head of the European Labor Party in France, greeted the opening of the plant: "The Committee for Cattenom and the European Labor Party salute this event, and want to see in it the hope of an industrial renaissance in the Lorraine. They will never stop fighting until a real network of factories, capable of saving our metallurgical industry, of relaunching our heavy industry, and of supplying the Third World, can be set up here, thanks to the cheap cost of nuclear-generated electricity."

- **BERYL SPRINKEL**, chairman of the President's Council of Economic Advisers, said in a speech on Nov. 11 that the Reagan administration expects a "good economic performance in 1987." Speaking in Detroit, whose economy has almost completely shut down, Sprinkel claimed that the trade deficit has peaked and "there is absolutely no evidence" of a recession.

- **THE AMERICAN** Petroleum Institute, meeting in Houston, Texas on Nov. 11-12, moved toward support of an oil-import tariff, despite the Reagan administration's opposition to such a levy. George Keller, chairman of the Chevron Corporation, told the final session of the API conference that a minimum domestic oil price is necessary as "disaster insurance" for the industry.

- **THE TRADE MINISTERS** of Iraq and Great Britain signed memos of agreement on Nov. 12 in Baghdad, to boost economic, trade, and technical cooperation between the two countries.

- **AGRICULTURE** Secretary Richard Lyng said he was "astounded and dismayed" at the Canadian duty recently placed on U.S. corn imports, and called Ottawa's move "inconsistent with recent efforts by both the United States and Canada to bring about freer and fairer trade."

- **ABEL BELTRAN DEL RIO**, president of the Ciemex-Wharton, a branch of the Wharton School, said that a shock to the Mexican economy would be inevitable if inflation were not cut in the next seven months. He said an "integral economic reform" had been prepared, which would entail wage and price freezes, free float of interest rates, and free devaluation of the Mexican currency for 9 to 12 months. He did not say what would be left of the Mexican economy following such treatment.

## The development of jobs and productivity

### Part 12

#### Ibero-American integration

By the year 2000, 100 million new jobs will be created in Ibero-America, in which workers will be trained to be skilled in the production of capital goods. By 2015, the continent will be an economic superpower, whose production and productivity will equal the level attained by the industrialized countries of today.

This installment starts Chapter 5 of the Schiller Institute's book, *Ibero-American Integration: 100 Million New Jobs by the Year 2000!* published in September 1986 in Spanish, and appearing exclusively in English in *EIR*'s serialization. An international team of experts prepared this study on the urgent measures needed to free Ibero-America of its economic dependency and spark a true, worldwide economic recovery, elaborating the outline of Lyndon LaRouche's 1982 proposal, "Operation Juárez."

Numbering of figures and tables follows that of the book.



Economic development, properly defined, is the development of the productivity of the workforce. The goals of development, therefore, must be posed with a view to obtaining results that are expressed in a change of the composition of employment of the total workforce. The workforce must tend to move away from compositions of the "pre-industrial" and "post-industrial" type, toward a composition coherent with modern technology and the corresponding increase in relative potential population density.

This means that, in the course of one generation, Ibero-America must orient its development strategies to obtain:

- growth of its total population;
- growth of its economically active population (EAP) to stabilize at about 40% of the total population; and
- full employment of the EAP.

The recommended proportions to take into account in employing the EAP are the following:

- The number of productive operatives (non-administrative jobs in manufacturing, construction, mining, energy, agriculture, and transportation) must grow to make up about 50% of the EAP;
- The employment of these productive operatives must be concentrated in the production of capital goods, and within this area, particularly in machine tools;
- Five percent of the EAP must be employed as scientists, technicians, and engineers.

Such proportions reflect the maximum rate of creation and absorption of technological advances in the economy; i.e., the optimal increase in productivity of the workforce. If the greatest unexploited wealth of Ibero-America is its now unemployed workforce, then it could be said that the central task of development is, in a nutshell, to fully employ this force between now and the year 2000, seeking to obtain the aforementioned proportions of internal composition. Con-



NSIPS/Carlos de Hoyos

*Workers leaving a machine-tool plant in Querétaro, Mexico: Over the next 30 years, Ibero-American countries will have to develop an advanced capital-goods production capability that will become the pride of their national industry.*

cretely, this means that, to all but eliminate the present joblessness and absorb the growth of the workforce from now until 2000, Ibero-America will have to triple its employed labor force, by creating around 100 million new jobs. And it will have to create these jobs with productivity levels three times higher than the present ones.

To create 100 million new, high-productivity jobs, the Ibero-American economy will have to grow by at least 10% per year on the average over this period. And if this growth trend is sustained up to 2015, it will allow the continent to reach that year with levels of production and productivity equal to those of the developed countries of today, thus closing the gap of underdevelopment. From this stage, within two generations, Ibero-America can reach productivity levels equal to those which the advanced sector will have at that date.

But it will be impossible to grow at a sustained rate of 10% per year if there is not a continuous increase in the productivity of the workforce, minimally of 4-5% per year. This can only be achieved by applying to the entire economy more and more advanced technology, and concentrating more and more capital.

There will be no lack of those who will be scandalized by this reasoning, and argue, on the contrary—as do Willy Brandt, the International Monetary Fund, and the bureaucrats of the Economic Council for Latin America—that vanguard technologies and capital intensity spur unemployment, and that therefore they should not be used. This is an absurd

argument, belied by the totality of human history. Only technological progress allows the generating of enough “free energy” in an economy, “free energy” whose productive reinvestment causes production and employment to grow geometrically.

How can we get 10% annual growth? As seen in **Table 5-1**, historically Ibero-America has achieved sustained annual growth rates of the Gross Domestic Product (GDP) on the order of an average of 6%, such as those registered during the decade from 1970 to 1980. In that period, some Ibero-American countries did reach higher growth rates, as in the case of Brazil, whose GDP grew by more than 8% per year.

Not only that. In the best of cases—Brazil’s—only certain areas of agriculture and industries have been developed, but the bulk of its productive sectors and its population have remained in conditions of technological backwardness and low productivity, exerting an enormous drag on the rest of the economy and undermining the efficiency of the development process itself. Despite the level of capitalization and productivity which countries such as Brazil have attained in some specific industries, the overall growth of its industrial sectors has been inadequate to absorb the migration from the rural to the urban milieu, thus creating a mass of unemployed who have been forced to live in miserable conditions of underemployment, marginalization, and poverty, both on the outskirts of the cities and in the rural areas. This is the story among the 47 million jobless—counting both “official” and concealed unemployment—who subsist today on the Ibero-

American subcontinent.

The problem has been worsened by the anti-technology policy of the U.N.'s International Labor Organization, Economic Commission for Latin America, International Monetary Fund, and World Bank, which have induced Ibero-American governments to go without modern technology, arguing that this will create a greater number of jobs. But they have also thus sacrificed the productivity of new investments, reducing both overall productivity and the economies' growth capability. This strategy of "intensive use of manpower," promoted as what will create the most jobs in the short term, is in reality what produces the fewest jobs in the medium to long term, because the sacrifice of productivity notably decreases the margins for reinvestment, and with it,

TABLE 5-1  
**Output, employment and productivity in various countries 1970-1980**

(average rates of annual growth)

	Ibero-America	Mexico	Brazil	South Korea	Japan*
Gross Domestic Product (GDP)	6.0	6.6	8.6	8.6	10.4
Total employment	3.1	3.9	3.9	2.8	1.4
Average productivity	2.8	2.6	4.5	5.6	8.9
Gross investment	7.4	8.3	9.0	10.1	14.6
Investment/GDP	23.8	25.7	22.0	29.4	36.0

\*1960-1970

Sources: ECLA and World Bank.

TABLE 5-2  
**Parameters of growth for Ibero-America 1985-2015**

(rates of annual growth)

	1970-1980*	1980-1985*	1985-2000	2000-2015
Total population	2.5	2.3	2.3	2.3
Gross Domestic Product (GDP)	6.0	0.5	10.0	10.0
GDP per capita	3.4	-1.8	7.5	7.5
Real employment	2.5	0.5	5.2	3.6
Average productivity	3.4	—	4.6	6.2
Gross investment	7.4	-6.7	15.0	10.0
Gross investment/GDP	23.8	19.7	28.0	34.0

\*Sources: ECLA and our own estimates.

the possibility of creating more jobs. There is no other option: Either the required jobs are created in conditions of growing productivity to obtain bigger and bigger margins for reinvestment, or the region is condemned to growing joblessness and misery.

Although Ibero-America does not offer a single example of sustained growth at 10% annually, there are countries which have achieved this. The paradigmatic case is no doubt Japan, which achieved sustained growth rates above 10% per year throughout long periods. The fundamental cause of this Japanese growth was a great increase in industrial productivity, at rates close to 9% per year, which allowed it to substantially broaden its margins of reinvestment, which came to take up as much as 36% of the GDP, as is also shown in Table 5-1. As a result, in a few decades Japan ceased being a moderately industrialized country and became a true industrial power, surpassing the other developed countries in production and productivity levels in a great number of industrial sectors. Other countries following the Japanese strategy of high rates of reinvestment also have registered strong advances: Such is the case of South Korea, which made the transition from a farming nation to a semi-industrialized nation in less than one generation.

The so-called Japanese miracle could be reproduced by Ibero-America now, and on a larger scale, as long as the same strategy is followed: reinvesting large percentages of the product in areas scientifically selected for their high technology and greater productivity. In this way, in three decades Ibero-America can turn into an industrial superpower of a magnitude comparable to the developed sector today, including the United States, Western Europe, and Japan. Table 5-2 indicates the parameters of economic growth which must characterize Ibero-American development for the next 30 years, in order to be able to reach the employment and productivity levels that will make possible the rise of this industrial superpower.

### Structural changes in the workforce

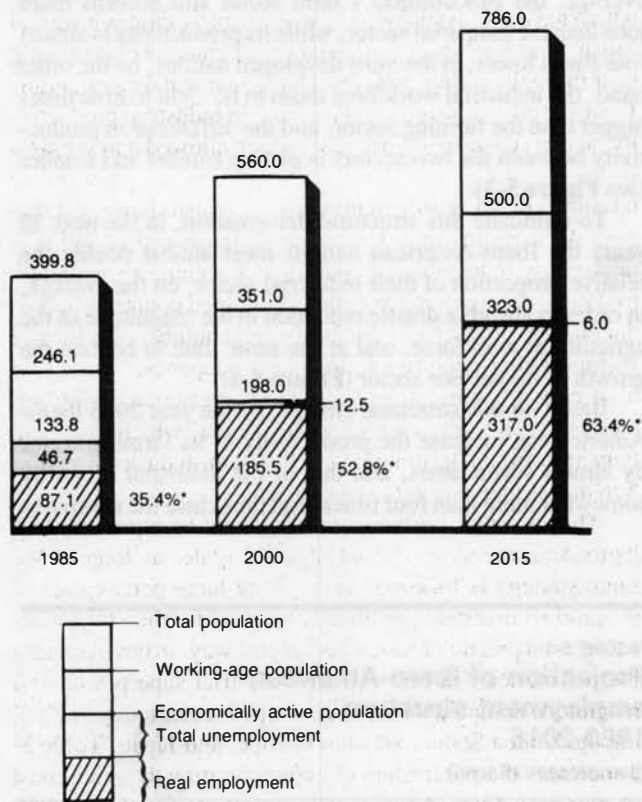
The present population of Ibero-America is 400 million people, one-tenth of the world's population (see Figure 5-1). Maintaining a population growth rate of 2.3% annually, in the next 30 years Ibero-America will almost double its population, arriving in the year 2015 with 786 million inhabitants; i.e., the same scale of population as today's developed sector. The present effectively employed labor force of 87 million persons must grow to 317 million by the year 2015—which means creating 230 million new jobs in the next 30 years—with productivity levels seven times higher than at present (Figure 5-1). Out of the activity of this labor force there will have to be produced, for a total population of 786 million persons, an adequate diet, large and decent living quarters, comfortable and efficient transportation, as well as education, health services, culture, and recreation at the level of a modern developed society.



FIGURE 5-1

### Projection of Ibero-American employment levels 1985-2015

(millions of persons)



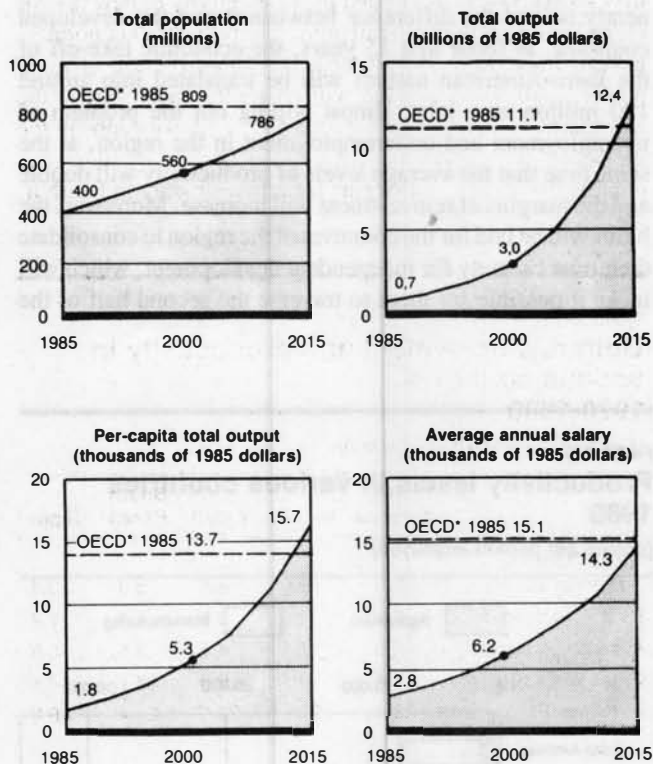
\*Percentage of working-age population.

The intermediate goal, for the year 2000, is to create 98.4 million new jobs in this 15-year timespan. This will make it possible to cut real unemployment from the current level of 46.7 million to 12.5 million in the year 2000 (from 35% to 6%), which means incorporating into the workforce 34.2 million unemployed, and adding another 64.2 million persons into the EAP, raising it from 133.8 to 198 million persons.

To achieve this dictates profound changes in the *structure* of the population and the Ibero-American workforce. By the year 2015 levels of employment will have to be achieved like those which the developed countries have had at their best moments, employing about 65% of the population of working age. At the same time, levels of productivity will have to be reached which are similar to those which such countries now have. This will make it possible to multiply the total volume of production of the subcontinent (GDP) by 17, and the per capita product by 9 (see Figure 5-2). In this way, an

FIGURE 5-2

### Projection of Ibero-American population, total output, and wages 1985-2015



\*Organization of Economic Cooperation and Development (United States, Canada, Western Europe, Japan, Australia, and New Zealand).



Labor-intensive sugarcane harvesting in Brazil. In the best of cases—Brazil's—only certain areas of agriculture and industries have been developed, but the bulk of the productive sectors and population have remained in technological backwardness and low productivity, dragging down the rest of the economy.

Ibero-American citizen will be in a position to mobilize the productive resources which today on the average are mobilized by a worker in the most advanced parts of the developed sector, and will receive in exchange, the same quantity and quality of goods and services as are received by that worker, to support his family at the standard of living that now exists in that sector.

At such growth rates, by 2000 Ibero-America will have nearly halved the difference between it and the developed countries. In those first 15 years, the economic take-off of the Ibero-American nations will be translated into around 100 million new jobs, almost wiping out the problem of unemployment and underemployment in the region, at the same time that the average levels of productivity will double and the margins of reinvestment will increase. Moreover, the bases will be laid for the countries of the region to consolidate their own capacity for independent development, which will make it possible for them to traverse the second half of the

way on their own.

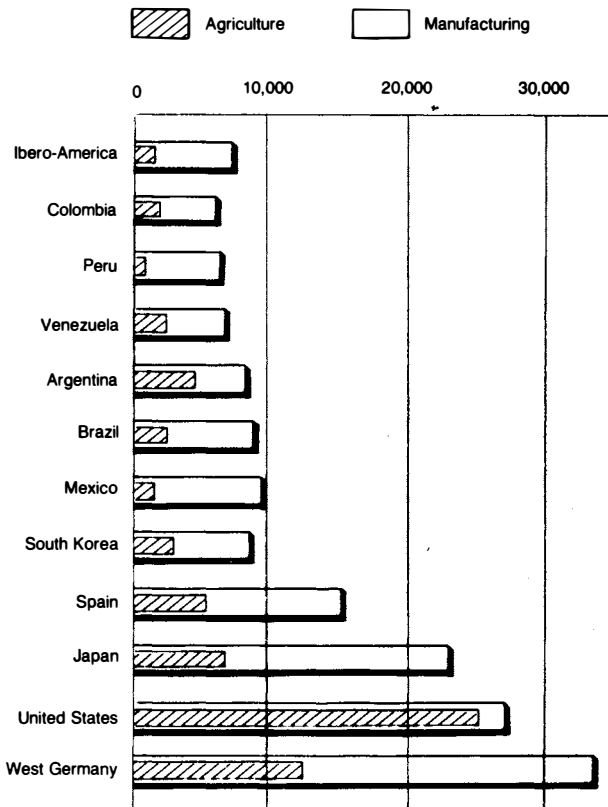
In terms of the labor structure of Ibero-America, the fundamental bottleneck that we documented in Chapter 3 will have to be resolved: the high proportion of very low productivity retained by the agricultural labor force, in combination with the relatively small magnitude of the industrial sector and the disproportionate size of the service sector. On the average, the subcontinent's farm sector still absorbs more jobs than the industrial sector, while its productivity is almost four times lower; in the most developed nations, on the other hand, the industrial workforce tends to be eight to nine times bigger than the farming sector, and the difference in productivity between the two sectors is getting smaller and smaller (see Figure 5-3).

To eliminate this structural deformation, in the next 30 years the Ibero-American nations must almost double the relative proportion of their industrial sector, on the average, in order to absorb a drastic reduction in the magnitude of the agricultural workforce, and at the same time to contain the growth of the service sector (Figure 5-4).

Based on this structural change, by the year 2015 Ibero-America can increase the productivity of its farming sector by almost seven times, and that of the industrial sector by somewhat more than four times, and thus close the enormous

FIGURE 5-3  
Productivity levels in various countries  
1980

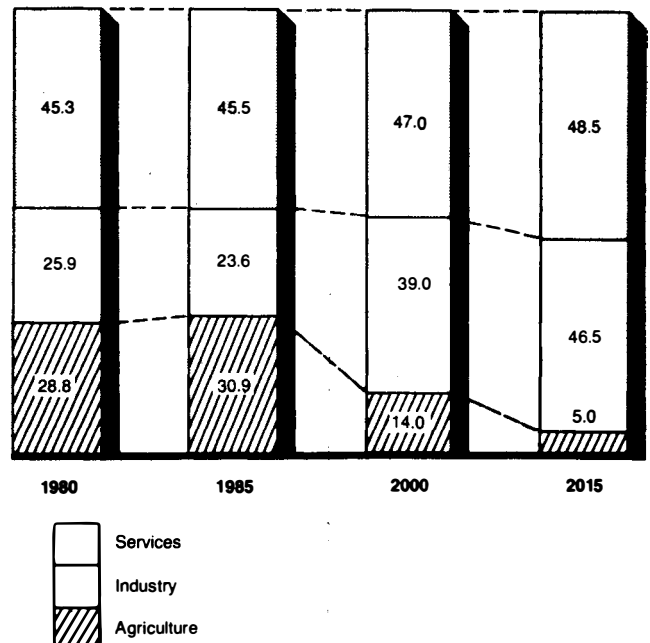
(dollars per person employed)



Source: World Bank.

FIGURE 5-4  
Projection of Ibero-American  
employment structure  
1980-2015

(percentages of total)



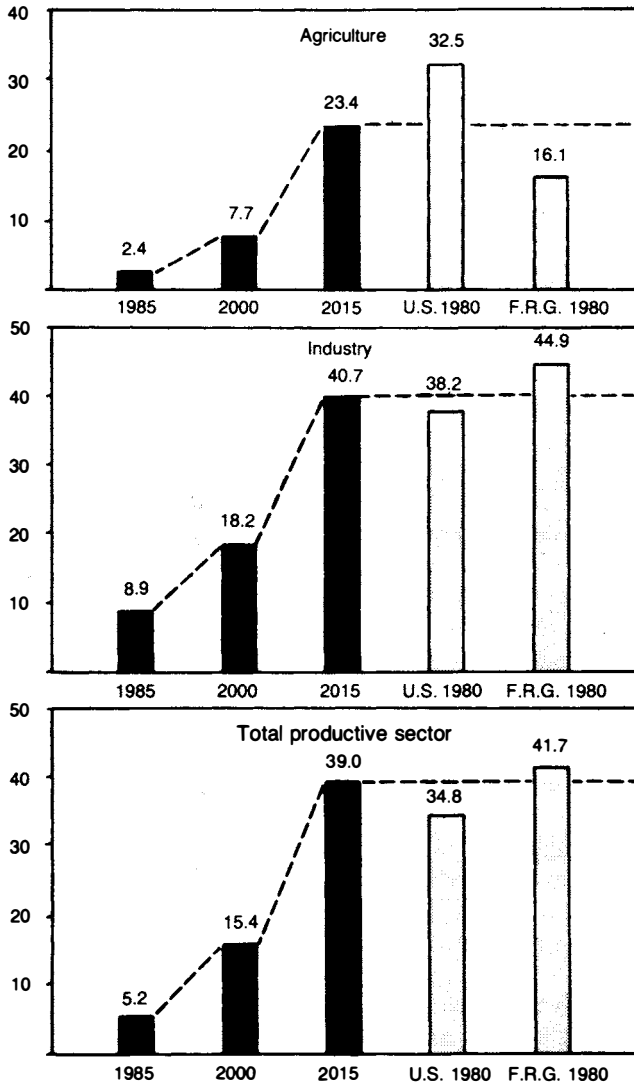
gap in productivity that exists today between the developed countries and those of the subcontinent, and between the industrial sector and the farm sector (see **Figure 5-5**).

Within the industrial sector itself there is a serious structural problem: the high proportion of consumer-goods industries and the low capacity for production of capital goods. As indicated in Chapter 4, a little more than half the total manufacturing jobs are dedicated to producing consumer goods, and less than one-fifth are oriented to capital-goods production, whereas in the industrialized countries the proportions

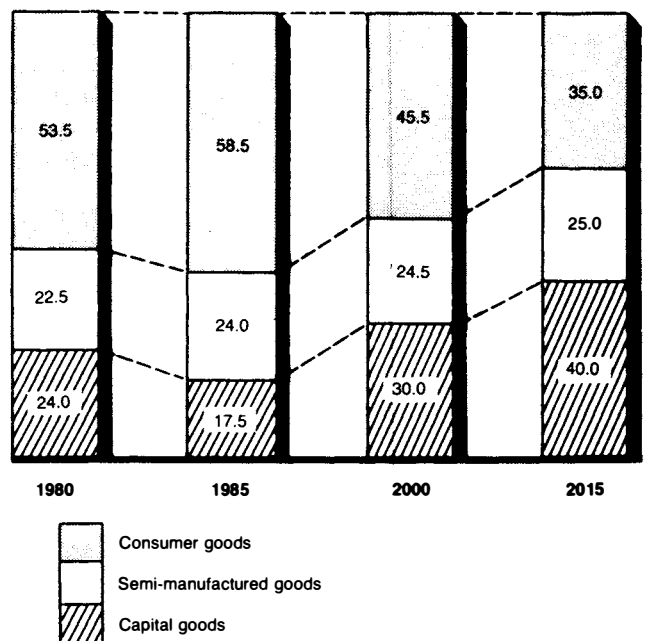
tend to be the inverse. Only one Ibero-American country, Brazil, has a moderately developed capital-goods manufacturing industry, which takes up more than one-fourth of its manufacturing employment.

Without a powerful capital-goods industry, the future development of Ibero-America will be illusory. Adequate capital-goods production represents the difference between underdevelopment and development, since it is the "motor" of any process of independent economic development. Hence, the main industrial effort must be concentrated in firming up a capital-goods industry capable of meeting the subcontinent's needs. Over the next 30 years this industrial branch must account for at least 40% of the manufacturing labor force, while employment in consumer-goods production must decline proportionally (see **Figure 5-6**). Within this productive effort, all the Ibero-American countries will have to develop an advanced capital-goods production capability that will be the pride of their national industry; but they will have to do it, not from the standpoint of their internal needs, but from the perspective of supplying the broader demand of the common market. Only in this way can a sufficiently large market be put together to allow all the region's countries to develop this strategic industrial sector, in conditions of competitiveness and efficiency.

**FIGURE 5-5**  
**Projection of labor productivity levels in Ibero-America 1985-2015**  
(thousands of 1985 dollars per person employed)



**FIGURE 5-6**  
**Projection of manufacturing employment structure in Ibero-America 1985-2015**  
(percentages of total)



## Britain battles to survive against AIDS, drugs, terror

by Christopher White

Will Margaret Thatcher's Conservative government be the first among the OECD nations to break with the conditionalities policies of the International Monetary Fund, to contribute instead to the required construction of a new international monetary and economic order? Not so long ago, such a question would not even have been posed. Now, such an eventuality cannot be dismissed out of hand, as it would have been before.

The reason has nothing to do with economics as such, but rather follows from a very profound philosophical shift which now appears to be under way within the British elite. At issue is the continued domination, for purposes of policymaking, of the Benthamite hedonistic calculus of radical liberalism, and its political expression, the "New Age" countercultural movement. This is the change in process in Establishment thinking, which is reflected in the newspaper headlines of the day on such life or death questions as the AIDS pandemic and the war against terrorism and drugs.

On each of such matters, Britain has, since the middle of August, begun to take an international lead. Exemplary is the raging public debate about how to deal with AIDS. In that case, a press campaign demanding screening of the population and other measures, is seemingly preparing the ground for the implementation of decisions which have, perhaps, already been taken. Similarly, the political aftermath of the trial of Syrian terrorist Nezir Hindawi, which so shook the lobby of Syria's supporters in the U.S. State Department and elsewhere.

Behind such moves is the increasing realization that the policies which have dominated within the Western alliance nations since the early 1960s' adoption of the strategic doctrine of Mutually Assured Destruction, have not only left the West as a whole defenseless before the Soviet drive for world domination, but are also destroying the cultural capabilities of the Western world to reverse that suicidal tendency.

Central to this ongoing shift are the conceptual methods of policy-formation associated with U.S. Democratic presidential candidate Lyndon LaRouche and this magazine. The congruence between the ideas underlying the policy shift in



*The "New Age" rock-drug-sex counterculture spread from Britain to the United States, and now threatens to destroy the Western world. Will Prime Minister Margaret Thatcher's recent moves against terrorism, drugs, and U.S.-European decoupling, combined with the growing demand for action to stop the AIDS epidemic, make it possible to prevent such a collapse?*



the United Kingdom, and the work of LaRouche and his associates, is emphasized by the now regular, adverse coverage of LaRouche in the columns of British newspapers. The latest edition of the Fabian Society's *New Statesman* is exemplary. LaRouche is put forward as the source of the ideas on the AIDS pandemic which the Fabian socialists are at pains to dismiss, for the same reasons that White House Chief of Staff Donald Regan has within the United States. LaRouche's methods may save lives, it is said, but they cost too much to implement.

### **The 'Palacegate' clash**

The turning point, after which such initiatives, and more, began to come to the surface, occurred during the month of August, when Prime Minister Margaret Thatcher faced down the Queen, and the royal household's loyal retainers in the British Labour Party, over the question of the reigning monarch's arrogant assertion of powers which, under British tradition and law, she does not possess.

Some were, perhaps, surprised that the radical elements of the British Labour Party, fresh from their backing of the year-long, Libyan-financed National Miners' Union strike against Thatcher's government, would, during the month of August, take to the streets in support of the Queen's well-publicized demands for the imposition of economic sanctions against South Africa. That political combination, however, is the core of the institutional expression of the philosophy against which the British Establishment is currently realigning.

The deadly AIDS pandemic, the drug culture, and the

related political phenomenon of terrorism, are all off-shoots of the international policy transformations set into motion in the British context when Harold Wilson's Labour Party government took power in 1963. Wilson and company pioneered the course that was adopted in parallel in the United States, with Lyndon Johnson's McGeorge Bundy-Ford Foundation designed "Great Society" program. In Britain, this went under the name of "The Permissive Society," and was associated with Wilson cabinet ministers such as Roy Jenkins, Denis Healy, and Richard Crossman. Lord Mountbatten was the sponsor within the royal household.

Targeted against the technological progress-oriented values of the traditional family, the "permissive society" promoted instead the "do-your-own-thing" bestialities that became associated with the "rock-drug-sex" counterculture. The architects of this shift were the same members of Aleister Crowley's Order of the Golden Dawn, such as Julian and Aldous Huxley, who, together with Bertrand Russell and his friends in the Anglican Church, like Canon Collins and Trevor Huddleston, cooked up the strategic doctrine of Mutually Assured Destruction and the Campaign for Nuclear Disarmament, the locus for the ferment which pushed the counterculture along.

Now, perhaps, the lessons are being learned, not for the first time, that the bestialist conception of individual human life that underlies the counterculture, and produced the plagues of AIDS and drugs, is as deadly for the society which tolerates such practices, as it is for the individuals who are victimized by them.

Implicit here are the contours of a shift in British policy-

making far more significant historically than that which occurred in the late 1930s, when successively the Nazi monarch Edward VIII was dumped, and the policies of appeasement associated with Neville Chamberlain were dropped in favor of preparation for war. Then, Winston Churchill warned of the "New Dark Age" that would be the global consequence of Hitler fascism. Now, the lines are being drawn, inside Britain, against that political force whose policy commitment of the last hundred years, has been that same "New Dark Age."

### **The degeneracy of the monarchy**

Rapidly, the symbol of such cultural degeneracy is becoming the monarchy itself. The mass-circulation press has created the indelible impression in the public mind, that there is an equation between the practices of the inhabitants of Buckingham Palace and the spread of the deadly AIDS, as well as the drug culture. The AIDS deaths of Lord Avon, Prince Charles's valet Stephen Barry, and others focused this assertion of reality—not to mention the life-style of the Queen's sister Princess Margaret.

The preliminary reining-in of the monarchy reasserted the institutional underpinnings of what the British call their constitutional practice. In theory a symbolic monarchy, under Elizabeth II, the British monarchy arrogated policy-making prerogatives to itself in a pattern which became reminiscent of the 17th-century House of Stuart. The summer's conflict between Queen and Thatcher was in fact a conflict between Queen and Parliament, in which the Queen was attempting to assert openly an institutional policy-making role. Such pretensions, tolerated for the last 30 years or so as relatively covert interventions, were now rapidly slapped down.

After all, the British decided nearly 300 years ago that their monarchs rule at the discretion of the House of Commons, and are permitted to do so until that House decides otherwise. This arrangement was finalized in the 1701 Act of Settlement, by which Parliament legislated the constitutional relationship between itself, the monarchy, and the Anglican church. No monarch who violates the Augustinian foundation of the Anglican church, can legitimately maintain the consent of Parliament for their rule. The reigning House of Windsor's satanic New Age movement is dedicated to the destruction of that tradition's conception of man and society based on the potential for divinity of each human individual, in the image of the Creator.

### **Election prospects**

Next year, in one way or another, the battle that is ongoing within the Establishment will be widened, if the expected general elections do in fact occur. The party political conferences of the early fall drew the battle lines: Thatcher's Conservatives are standing for the defense of the West against

the Soviet Union's takeover drive, while the Labour Party and Alliance formation both repudiate the Western alliance system in their electoral programs.

Beginning with those party conferences, Thatcher's electoral prospects have seen a sudden resurgence, precisely because of the capitulationism of the political representatives of the New Age. To turn that resurgence into a durable combination for victory, she is going to have to do much more.

Of all the economies of the OECD group of nations, it is the post-industrial scrap-heap of Britain which is in the worst

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*The British would do well to heed the lessons that Ronald Reagan should be learning from the Republicans' recent debacle in the United States: You can't base your economic policy on a tissue of lies, and hope to get away with it forever. No electorate is that stupid. Any government which acts as if its electorate is that stupid, will some day certainly pay the price.*

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shape, even worse than the United States. Unemployment is the highest in Western Europe, at around 15%. The engineering, manufacturing, and steel production sectors have virtually ceased to exist. Education and medical services have been gutted by years of budgetary cuts. Inflation is rampant. The British would do well to heed the lessons that Ronald Reagan should be learning from the Republicans' recent debacle in the United States: You can't base your economic policy on a tissue of lies, and hope to get away with it forever. No electorate is that stupid. Furthermore, any government which acts as if its electorate is that stupid, will some day certainly pay the price.

Cosmetic handouts of specially voted funds, from budgets designed on the basis of electoral considerations, to put money in the pocket of the voters before polling day, will not do the trick. There is no substitute for the kind of overhaul of economic policy which will put the unemployed back to work through reviving the technology-intensive, capital-intensive industries which the New Age movement decided, many years ago, were "redundant." And unless such changes occur, everything else is built on sand.

# Will 'wartime spirit' fight AIDS epidemic?

by Mark Burdman

As the full dimensions of the AIDS crisis begin to emerge in Britain, an increasing number of influentials have come forward, to liken the effort that Britain will need to defeat AIDS to the mobilizations that Britons made in world wars in this century. AIDS is increasingly being seen as a matter of war, a war for the nation's survival.

In a statement to the weekly *The Observer* on Nov. 9, Prof. Avrion Mitcheson of the University College, London, Department of Zoology and Cell Biology, declared: "AIDS is going to kill as many people as were slain during the Second World War. We should therefore treat it with the same seriousness and discuss it now at a summit conference."

On Nov. 11, on the same day that the newly constituted cabinet committee on AIDS would be having its first meeting, the *Times* of London editorialized: "From voluntary recruitment in the First World War to the mass screening for tuberculosis and other chest diseases since 1945, British governments have considerable experience of mobilizing popular consent and participation." The *Times* called for, as a *minimum* program, a government-sponsored "major program of voluntary AIDS screening," as a step toward general, compulsory screening, and dismissed objections to such measures as "trivial in relation to the threat of a major AIDS epidemic."

The increasingly military emphasis of the fight against AIDS in Britain was reinforced by the Nov. 8 announcement, that Defense Secretary George Younger would be joining the cabinet committee on AIDS, which is headed by Lord Whitelaw. The next day's *Sunday Telegraph* reported this front-page, and noted that there was "growing fear" that the spread of AIDS could "soon affect the armed forces" and undermine their "efficiency."

As to the popular mood, three polls—by the "This Week" television show, by *The Observer*, and by the weekly *The People*—are showing results of between 66% and 80% in favor of national screening for AIDS. One question in *The People's* poll was, "Should AIDS be treated as a national emergency with explicit publicity on TV and in the press?" In response, 83% said, "Yes." The tabloid reported its results under banner headlines, "AIDS Tests for All," "Something Similar to a Wartime Spirit."

Against this backdrop, the cabinet AIDS Committee's

decisions, taken on Nov. 11, are disappointing. Only £5 million (about \$3.6 million) was allocated for the fight against AIDS, all of it directed at "public education," particularly in the form of a government-authored pamphlet to be sent to 23 million households. The content of the message, primarily, is the avoidance of "promiscuous sex," use of condoms, and the like. No decision was taken on national screening, on making AIDS reportable, and so on.

This decision, however, is not the last word. For one thing, it had already been announced on Nov. 6, that the Parliament's Social Services Select Committee has decided to hold an emergency parliamentary investigation into the AIDS crisis, which will feature five weeks of oral testimony from AIDS experts, beginning in January 1987. According to the *Times* of London Nov. 7, the Committee's inquiry "is to examine the most unpalatable options for containing the disease. These include screening visitors from AIDS-affected countries, the strict physical isolation of AIDS victims and carriers, making AIDS a notifiable disease, and issuing cards to AIDS carriers."

The Department of Health followed the parliamentary Committee's announcement with its own statement that it would "urgently" convene a conference of AIDS experts, possibly before the end of 1986.

Another key factor is that early elections are now likely some time between June and October of next year. Best estimates are that Mrs. Thatcher's Conservatives will be making AIDS a key issue, hitting at the Labour Party for expediting the spread of AIDS by politically coddling the "high-risk" groups. The Tories cannot afford to allow the Opposition to gain momentum on this issue, as happened after the Nov. 11 cabinet decision, when Labour Party "Shadow Health Secretary" Michael Meacher attacked the allotted monies for AIDS as "footling and paltry," and other Labour spokesmen charged that the £5 million allotment was only a "cosmetic gesture."

Within the pro-Tory milieu, the Thatcher-loyalist *Daily Express* sounded the message, with an editorial attacking the cabinet committee for having produced a "pathetic mouse" and having made a decision that could have been taken by a "couple of lower-grade civil servants."

The final determinant, however, will be the spread of AIDS itself and the popular reaction to that. As the ripples of panic in Britain are turning into a tidal wave, the *Times* put it this way: "If AIDS ever does reach epidemic proportions, public opinion will very quickly force Whitehall to abandon reservations" about very tough measures, such as screening.

After the cabinet decision, the *Times* of Nov. 12 reported that, nonetheless, "some senior members of the committee are hoping that a national effort, evoking something similar to a wartime spirit, can be mobilized to conquer the disease. Some feel that measures which at present seem unpalatable, such as screening, may become less so as the virus spreads."

# Thatcher warns of U.S. nuclear pullout

by Konstantin George

British Prime Minister Margaret Thatcher has warned the U.S. administration not to commit a fatal blunder by reaching a deal with Moscow that would remove all U.S. nuclear missiles from Europe—a deal which the State Department is promoting, and which would achieve the decoupling of Western Europe and the United States. Thatcher was speaking on the evening of Nov. 10, at a banquet in her honor hosted by the mayor of London.

She added that Great Britain would, under no circumstances, relinquish her own nuclear missile forces, whether or not a superpower missile reduction agreement, either in the strategic or intermediate-range sphere, were reached.

As reported in the London *Daily Telegraph* of Nov. 11, Thatcher said that a U.S.-Soviet deal, which would have American Pershing II and cruise missiles pulled out of Europe, would "leave Europe vulnerable to overwhelming Soviet superiority in conventional, chemical and biological weapons."

The substance of the British prime minister's warnings to the United States formed the main agenda item in Thatcher's talks with President Reagan at Camp David during the weekend of Nov. 14.

## The 'zero solution'

Thatcher was responding to the attempts by the U.S. State Department to conclude an agreement with Moscow, embodying a "zero solution" for U.S. nuclear forces in Europe, while Moscow would merely agree to scrap its SS-20 intermediate-range missiles, stationed in the European portion of the U.S.S.R. Such an arrangement would leave NATO devoid of any effective nuclear forces, while Russia would still have its hundreds of short- and medium-range SS-21, SS-22, and SS-23 missiles (up to 1,000 km-range) forward-based in East Germany, Czechoslovakia, Poland, and Hungary, to say nothing of Soviet missile units based in the Soviet Baltic states and the Kola Peninsula, blanketing Scandinavia.

Secretary of State George Shultz had fashioned such a deal prior to the Reykjavik superpower "pre-summit," which the United States then offered to Mikhail Gorbachov. Fortunately, Moscow, obsessed with linking all agreements to a

U.S. capitulation on the Strategic Defense Initiative (SDI), turned down the dangerous offer. On Nov. 5, Shultz, present in Vienna for talks with Soviet Foreign Minister Eduard Shevardnadze, again made the "zero solution" offer; Moscow said, "Nyet."

Thatcher stated that a Europe devoid of American nuclear forces, is a Europe open to Soviet blackmail or even invasion:

"We can never forget that the frontier of freedom cuts right across our continent, and renders Western Europe vulnerable to attack by conventional forces and chemical weapons in a way in which the United States is not. The fact is that nuclear weapons have prevented not only nuclear war, but conventional war in Europe for 40 years. That is why we depend, and will continue to depend on nuclear weapons for our defense."

Thatcher cited the last address by Winston Churchill, which he made before a joint session of the U.S. Congress. Churchill made a similar insistence on the maintenance of strong U.S.-NATO nuclear forces overall, and in Europe, until the time when "something better" than nuclear weapons came into existence.

In a hint at the SDI program which would make nuclear weapons obsolete, Thatcher echoed Churchill's statement: "Other means are not yet at hand, and we should do well to heed his wisdom."

On the question of maintaining and modernizing both U.S. nuclear forces in Europe and independent national strategic and tactical nuclear forces (the British and French nuclear "deterrents") Thatcher's views are fully endorsed by French Premier Jacques Chirac. Days before Thatcher spoke out in London, the Chirac government disclosed its plans to expand its nuclear capability, the *force de frappe*.

The newly unveiled French defense budget includes provisions for: 1) a seventh nuclear ballistic-missile submarine; 2) a new, mobile, land-based intermediate-range nuclear ballistic missile; 3) development, production, and deployment of its own arsenal of chemical weapons.

These moves by the United Kingdom and France should force Reagan to think over his pre-Reykjavik blunder, in giving Shultz and the State Department a "blank check" to negotiate the de-nuclearization of Europe.

The machinations of the State Department are facing a united wall of opposition from all three major governments of Western Europe: Britain, France, and West Germany. The latter, by the provisions of the 1955 Paris Treaties, is prohibited from either developing or producing nuclear weapons in response to a U.S. nuclear decoupling move; but Bonn has been using its political clout to lobby Washington to turn away from its insane "zero solution" policy.

Since the Reykjavik summit, the medium-range-missile "zero solution" has been publicly attacked by West German Chancellor Helmut Kohl and Defense Minister Manfred Wörner. The criticisms were also delivered during the post-Reykjavik Washington discussions between Reagan on the one side, and Kohl and Wörner on the other.



# Britain's war on Syrian terrorism

by Thierry Lalevée

The decision of the British government to break diplomatic relations with Syria on Oct. 24 was remarkable for several reasons. As was revealed afterward, the decision was not unanimous, either in the British cabinet or among those diplomats dealing with the region. Though the names of the cabinet ministers who were lukewarm at the idea, or totally opposed to it, didn't get into the press, other names did.

Led by Sir Patrick Wright, the secretary general of the Foreign Office, himself a former ambassador to Damascus, the club of the late "Arabist" Sir John Glubb Pasha, fought to the last against Thatcher's personal determination to rupture relations. However, their fight was doomed. With the issue posed only two weeks after the Reykjavik summit, Thatcher was determined to send a message not only to Damascus, but ultimately, to Moscow.

By denouncing the British decision with an even louder voice than Damascus, Moscow made clear that it had received the message, and was outraged. The British government was evidently not playing by the rules established in recent years, according to which, even when an intelligence service is caught red-handed, the government is not to be held responsible.

That was indeed, the second remarkable aspect of the London trial of Syrian-sponsored terrorist Nezir Hindawi, his sentencing to 45 years in jail, and the subsequent break with Syria. Without underestimating the need for a judgment which creates a legal precedent, the Hindawi trial in October didn't bring in any unexpected elements. The substance of the accusations against Hindawi was known to British government officials, including the prime minister, by April 18; the very day Hindawi was arrested.

Indeed, by early March, Britain's MI-5 had been able to intercept radio communications between the Syrian embassy in London and Damascus, placing Hindawi at the center of a major international terrorist plot. By the middle of March, the Hindawi tribe in Britain, West Germany, and Italy was under close surveillance; too late to prevent the bombing in West Berlin of the "Germano-Arab Society," but early enough to prevent the massacre on the El Al plane.

It may be argued that the Hindawi brothers should have been arrested then, but there is a sound argument for letting them run loose, as long as there was the possibility of catching them red-handed, while preventing the massacre from taking place. However this meant that each of the movements of Nezir Hindawi, his trips to Tripoli, then to Damascus, and his return to London with high-ranking Syrian intelligence officers such as Lt.-Col. Haitham Said of Air Force intelligence, were followed and recorded.

No doubt that more valuable details did come out of Hindawi's interrogation. It is a safe guess that by the end of April at the latest, the British government was fully aware of the level of involvement of Syria's official intelligence services in terrorism in Britain. A sure indication that this involvement was known, was the hurried but discreet departure from London in late April of Syrian military attaché George Shiha, and the very official expulsion of two Syrian attachés known to have dealt with Hindawi.

## The break in diplomatic relations

However, London didn't break with Damascus then. Many reasons have been put forward. One is that London wanted to keep Damascus guessing on the extent of its actual knowledge of the operation, deliberately playing it low and cool to catch them by surprise with the Oct. 24 blow. A more likely explanation is that under pressures of the international and national outcry over Britain's active participation in the April 15 American raid on Tripoli, Thatcher was forced to back off. Then, between April 18 and Oct. 24, a major domestic and international diplomatic battle ensued.

The repeated trips to Damascus of high-ranking American intelligence officials over the summer were not exactly helpful in creating momentum against Syrian terrorism.

The eventual sentencing of Hindawi to 45 years in jail was certainly a key step, but it was above all the political decision to place the blame on official Syria that made the case remarkable. Isn't it the case that many other governments, presented with the same evidence, would have simply concluded that "Syrian intelligence" was involved, but "not the Syrian government."

No doubt the Thatcher government had its own reasons, in line with British strategy toward the Middle East. After all, while it is at loggerheads with Damascus and Tripoli, it still officially welcomes Iranian military delegations to Britain for military spare-parts buying sprees, as happened on Nov. 7.

Nevertheless, Britain has set a very important political and diplomatic precedent in the war against international terrorism; governments will be held responsible for whatever activities their intelligence agents perpetrate, even at the lowest levels. The message was received in Moscow with furor. It was also received in Damascus. It should be evident that Damascus's sudden moderation and decision to actively help gain the release of American and French hostages, dates from Oct. 24.

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## Book Review

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# New book points to gnostic satanism of Britain's Prince Charles

by Mark Burdman

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### **The Prince and the Paranormal/The Psychic Bloodline of the Royal Family**

by John Dale

W. H. Allen, 1986, 247 pages

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It is no secret that a substantial part of the British Establishment cringes at the thought that Prince Charles will some day be the Sovereign of Great Britain and head of the Church of England. Charles's left-radical sympathies, his "green" environmentalist views, and his proclivities for talking to plants and engaging in other kooky activities, have all been condemned in one form or another. This has been particularly the case, in the national mood in Britain defined by the July-August 1986 "Palacegate" controversy between the House of Windsor and Mrs. Thatcher, and, more recently, by the reports that the Prince of Wales's private valet, Stephen Barry, died of AIDS, and that the Palace is rampant with homosexual perversity.

On Nov. 2 of this year, the West German daily *Bild am Sonntag* even suggested that Charles renounce his claim to the throne, because of his weird practices and beliefs.

What occurs to the outsider looking at the United Kingdom, is the question: Why have things reached the point that a gnostic kook such as Prince Charles could become Sovereign? One suspects, first, that the actual moral criminality of the views of Charles and his favorite gurus, has never been presented in a form that would outrage moral and patriotic layers in Britain to a sufficient degree. Specifically, the fact that Charles, by his endorsement of the ideas of the late C. G. Jung in particular, has endorsed the same brand of mystical gnosticism which characterized the Nazi regime and the inner core of the Bolsheviks, has never, to our knowledge, been clearly stated or proved.

One suspects, second, that after decades of gnostic kook-

ery being openly espoused by influentials such as former Royal Institute of International Affairs director Arnold Toynbee, an advocate of the cults of Mithra and Isis, and of others in the ambience of the House of Windsor, too many people have been inured to, or tolerant of, figures in the British Establishment espousing the same views as those against which the British population was mobilized to fight a world war in the 1939-45 period.

Although limited in its historical and epistemological depth, *The Prince and the Paranormal: The Psychic Bloodline of the Royal Family*, by British writer John Dale, begins to point in the right direction, if the political, cultural, and constitutional crisis erupting around the House of Windsor, is ever to be efficiently resolved.

Dale not only identifies the main kernel of gnosticism (although he shies away from using the term) in the Prince of Wales's adopted world view, but also tries to locate this, in a historical strain of kookery that has been practiced by the House of Windsor, since at least the time of Queen Victoria in the 19th century. The expression "psychic bloodline" may itself have some regrettable connotations, but the correct challenge is posed by the author. As Dale puts it, "Royal patronage has helped turn Britain into the occult capital of the Western world. Paranormal practices which are illegal in other countries can be promoted without hindrance."

In his own way of arguing the matter, Dale poses the fundamental dilemma facing Britain. If Prince Charles's views, and/or those of his ideological mentors, continue to be tolerated, then the cultural matrix of Great Britain would no longer be that of Western, Judeo-Christian civilization. As a hostile reviewer of Dale's book, the *Daily Telegraph's* Christopher Booker, pointed out recently, there is no point in criticizing Charles in the way Dale does, since most Britons, in one form or another, do just what Charles does!

Conversely, were there to be a strong reaffirmation of the values of Judeo-Christian civilization in Britain, this would necessitate a constitutional crisis challenging the House of

Windsor, if not under the current reign of Queen Elizabeth, then certainly under that of her successor.

Dale has two main lines of argument:

- First, the Prince of Wales himself has, from all available evidence, been recruited into belief in, and support for, Jungian psychology. This has been done largely through the mediation of Sir Laurens van der Post, the closest friend of the late C. G. Jung in the latter's last 12 years of life. At the same time, Charles has become a sponsor of "alternative medicine," and, perhaps, of a wide range of other "occult and paranormal" activities. As a result, says Dale, he has developed a "super-ecumenicist" world view, that would be in contradiction with his future role as head of the Church of England.

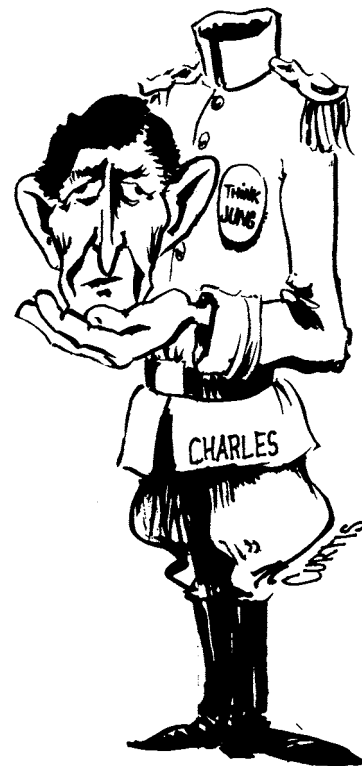
- Second, the House of Windsor itself, at least since the time of Queen Victoria, has been a hotbed of "psychic" activities. This primarily involves the practice, in and around Buckingham Palace and Windsor Castle, of "spiritualism," including séances, discussions with ghosts, and the like. It has also involved overt backing, including by Queen Elizabeth II, for all sorts of "alternative medicines," including a particularly mystical branch of homeopathy that Dale traces to the activities of the Hermetic Order of the Golden Dawn in the late 19th century. The case of the late Lord Mountbatten, Charles's "favorite uncle," is most notorious. Mountbatten, as Dale reports, came firmly to believe in flying saucers during the 1950s, while he was becoming an important member of the British defense Establishment.

For many readers, Dale's accounts would make it problematic to differentiate between the Royal Family's households and the neighborhood lunatic asylum. But the way such practices propel Britain toward a constitutional crisis, is much more interesting.

With a measure of diplomatic tact, Dale argues:

On the positive side, these ideas are moulding a future monarch who will offer sincere, compassionate and idealistic leadership . . . although in a manner many will find puzzling. On the negative side, they threaten Britain with the biggest constitutional crisis since the Abdication [of King Edward VIII], especially in his role as Protestant King, head of the Church of England and Defender of the Faith. For, there is evidence that deep inside himself, the Prince has become a super-ecumenicist—somebody who believes that each of the world's religions—including Christianity—contains a relative truth, rather than an absolute one. . . .

The truth is that the Prince has come to hold beliefs that many of his future subjects will find strange and questionable. They allow him to put aside rationalism, for instance, and to surrender to psychic influences. In a word, he has become absorbed in the *paranormal*—that is, phenomena which cannot be explained by modern science. . . .



Beginning in 1977, he began to climb off the fence and to line up with the mixed bag of visionaries, intellectuals, cranks and lunatics who say there are other planes of existence tangled inside and around the one we inhabit.

Later, after quoting a mid-1985 statement by the Prince of Wales stating that Jung "makes a great deal of sense in many, many areas," and stressing Charles's close relations to van der Post, Dale writes: "These were dangerous words from a future head of the Church of England. The Prince was taking the Jungian view that all religions are of equal value. . . . It is surely a proper question to be asked, whether Prince Charles fully agrees with van der Post. If so, then Charles, the future head of the Church of England, may be a super-ecumenicist. It would cause tremendous trouble in almost every country in the world."

### Jung, the gnostic

What Dale omits to say, but implies, is that Charles's flirtation with the occult and paranormal is in violation of the 1701 Act of Settlement, by which the House of Windsor became constitutionally obliged to uphold the values of traditional Protestant Christianity. While many traditionalists in the Church of England today point to the Act of Settlement, in the narrower sense that it forbids the Sovereign from reaching an ecumenical deal with the Church in Rome, the much more important issue is that the Sovereign of the nation, as legal Sovereign of the Church of England as well, is obligated

to uphold fundamental tenets of Christian doctrine and of Judeo-Christian, Western civilization, more broadly.

Again to put the case more strongly than does Dale, Charles's flirtation with Jung, is an endorsement of the ideas of a man whose career was devoted to the *destruction* of Christianity, and to the creation of a new world order based on *gnosticism*.

The evidence for Charles's commitment to Jungian ideas is strong. Dale himself claims that Charles, in 1977, had, in effect, an initiation into the Jungian network, through a secretive trip to Kenya, sponsored by Laurens van der Post.

Additionally, outside of Dale's book, there is some startling evidence from the Prince's speech at the Harvard University 350th anniversary in September, when he counterposed the "dark side of the psyche" to the "mad rush" to scientific and technological progress, and called for the creation of a curriculum of "natural psychology" to replace "religion" as a course of study.

We now consider the beliefs and evil influence of Jung himself. Jungians are not only anti-Christian, they are also satanic. Dale hints that this is what he is ultimately getting at, with passing references to the old British "Hellfire Club," where jaded noblemen practiced devilish rites; to the Hermetic Order of the Golden Dawn, the organization that spawned the leading satanist of this century, Aleister Crowley; and to the strange decision by the British Parliament in 1951, to legalize witchcraft. Dale also reports that, in previous decades, the Church of England was wont to denounce the practice of "spiritualism" as devilish.

The simplest proof of the satanism of the Jungian world view might, indeed, be the statement made by the head of the so-called Church of Satan, Anton LaVey, as quoted in a *Washington Post* feature in the summer of 1985, that he was trying to bring into being in the United States a form of "Jungian neo-romanticism."

In a 1985 interview, a leading American self-professed gnostic, James Robinson, who directs the translation of the *Nag Hammadi* manuscripts that Jung had been largely responsible for popularizing before his death, responded to a question on Jung's importance for gnosticism today, "Jung's importance cannot be exaggerated. He is the man who updated gnosticism." Robinson, correctly, equated this "updated gnosticism," with the eruption of "Age of Aquarius" cults that have appeared on the American scene in the past two decades.

Robinson claimed that this gnostic tradition might be characterized as "post-nihilistic," and founded on a belief that "the God who made the world is evil." Compare this, to the prospective future head of the Church of England's comments on the "dark side" of the human psyche.

One of Robinson's closest collaborators, gnostic Church Bishop Stephan Hoeller of California, published a book in 1982, entitled, *Jung the Gnostic*. The book, in part, bases itself on a fact of Jung's life that had not been well known until recent years, but of which Jung himself was not secre-

tive: His first book, written anonymously about 1916, was called, *Seven Sermons to the Dead*, based on explicit gnostic doctrine, and for which Jung used the pen name "Basilides," after one of the Alexandria-based gnostic writers of the second century A.D.

Similarly, the Bollingen group, set up in significant part by Paul and Mary Mellon of the Mellon banking family in the 1940s and 1950s to popularize the writings of Jung and associated thinkers, utilized, on Mary Mellon's decision, the colophon as its symbol. The reason? Because in the Bollingen community, the colophon has always been called the "Gnostic Wheel," based on the contention in the *Book of Signs*, by one Rudolf Koch, that "this talisman has its origin in the Gnostic conception of the world."

### Satan's 'New Age' project

There's more to the story than that, and it gets worse, the deeper you look.

Jung, by the 1930s, became the central figure in a yearly conference series in Ascona, Switzerland, called the "Eranos" conferences, at which themes like the "Great Mother," "Gnosticism," and "Manicheism" were discussed. Ascona, in fact, is one of *the* central points of creation of cults, East and West, over the past 100 years, and one of the true-blue capitals of the past 100 years' "New Age"/"Age of Aquarius" movement. The story of Ascona, Switzerland, like the story of the Island of Capri, unravels most of the dark secrets of the past century. It was frequented by Russian Bolshevik leaders Lenin and Trotsky; by Anthroposoph founder Rudolf Steiner; by founders of the Theosophists, and so on.

Ascona was one of the chief centers for creating the "New Age" movement, and for the activities of the occult apparatus of the Trust, the East-West joint-stock agency behind the Bolshevik and Nazi movements. In the same sense that the circles of the Trust conspired to put the Bolsheviks into power, it is no accident that one finds in the corpus of Jungian and Steinerian/Anthroposophic literature, books which contend that Russia will be the ruling world power of the "Age of Aquarius," because of some mystical link to the soil and to nature found in "Mother Russia."

So odd were the goings-on at Ascona, one historian of the Jungian Bollingen Foundation has written, that Alice A. Bailey, a Theosophist and cultist of some repute in her own right, believed that Ascona "had been the center of a cult of the Black Mass." The same historian reports an anecdote, about comments made by Jung during a walk in the hills between Ascona and Locarno, Switzerland, where there were simple religious shrines everywhere, reflecting upon which, Jung said: "They are in the same places where the forefathers of these people worshipped their nature gods, and often at places of potential danger, to ward off evil. We who are so civilized and unsuperstitious would do better perhaps to have a little more superstition and to be closer to nature—to take the Devil into account." The historian, himself favorable to

Jung-Bollingen-Ascona, adds his own comment: "One remembers Alice Bailey's apprehension that traces of the Black Mass were still in the Ticinese air."

## Jung and the Nazis

While most "revisionist" historians, including the one cited here, portray Jung as "anti-Nazi," and as contemptuous of the Hitler clique, this characterization is a self-serving lie on the part of the authors.

Jung himself was appointed, with the intercession by the Nazis in 1933, the same year as Hitler took power, the president of the International Medical Society for Psychotherapy, the organization through which psychiatric activity was supervised in Germany under the Nazi regime. As editor of the *Zentralblatt für Psychotherapie*, Jung wrote, in 1933, "The differences that actually exist between Germanic and Jewish psychology, and which have long been known to every intelligent person, are no longer to be glossed over, and this can only be beneficial to science."

Three years later, in an article entitled, "Wotan," based on the name of the old Teutonic god, Jung wrote that what is "moving in the collective unconscious of the Germans" is the "archetype of Wotan, the ancient Germanic god, worker of magic. . . . The God of the Germans is Wotan, and not the Christian God."

Some "anti-Nazi"! Even if one were to accept some of the tales about how open Nazis were purged from Jung's inner circle of intimates, and about Jung's supposed personal antipathy to Nazism, a fundamental resonance between Jungian psychology and Nazism and other branches of fascism, would have to be stressed.

The inner-core Nazis were all raving gnostics. Where the fundamental line of difference lies, is that the fascism of Jung, and his various epigones and co-thinkers, is *universal*. They objected to the particular linkage of the universality of irrationalist, fascist belief, to the cruder racial myths of the Nazis, and perhaps, also, to the cruder brutality of the Nazis. Yet, self-evidently, Jung's famous notion of the "collective unconscious" is a notion completely alien to the Trinitarian conceptions of the Western Judeo-Christian tradition, in which the sanctity of the notion that man is made in the image of God, and can participate in God's Creation through progressive transformations of nature, is primary. The "collective unconscious," even if sugar-coated with innocuous-sounding terms about searching for "inner meaning" and the like, is a *wildly totalitarian notion*, robbing the individual of his precious individuality-in-the-divinity, and denying the notion of individual creative acts. By the worst, most tyrannical sorts of reductionism, the mind is reduced to patterns of arcane symbols, "archetypes," and mythical constructs. Indeed, *collective*—and of the same nature as the "collective soul" concept that underlies both Nazi Germany and Bolshevik Russia.

The revisionism in respect to Jung is integral to everything that has been wrong with the Anglo-American intelli-

gence community in the past five decades. Take the case of the Dutch patroness of mysticism and insider in the Ascona-Bollingen circuit, Frau Olga Froebe-Kapteyn, ironical especially in light of the Prince Charles-Jung connection. According to the aforementioned Bollingen historian, the U.S. Federal Bureau of Investigation, "*acting on an advisory from British intelligence*," had been investigating Froebe-Kapteyn in the early 1940s, as someone whose activities were regarded "as typical of the cover-ups used by the Germans and the Japanese in espionage work." Further, in Switzerland, Frau Froebe-Kapteyn was denounced as pro-Nazi, by Baron Eduard von der Heydt. Writes the Bollingen historian, of developments in 1943: "At the American Legation in Bern, upon Jung's suggestion, she appealed to Allen Dulles (who, unknown to her, was actually chief of the OSS mission). After inquiring into her case, Dulles reported there was no basis for such an accusation, and that cleared Olga for good."

Indeed, the "pollution" factor in the past five decades of Anglo-American intelligence could almost be reduced to the cluster, Jung-Dulles-Mellon. Jung emerged as a key mentor of both Dulles and the Mellon clan, both banker Paul, and his wife, Mary, pumping into such circuits his beliefs in gnosticism, cabalism, alchemy, and the "collective unconscious." Dulles and Mellon are two of the clans most central to the past years' evolution of what can be called in the United States the "bankers' CIA," the powerful clique of treasonous U.S. families engaged in deals with the Soviet Union, as a virtual "private government." While this group has sponsored various "New Age"/"Age of Aquarius" cults in the United States as a means of demoralizing the population, and weakening adherence to republican political principles, their relationship to Jung shows that they, themselves, are true-blue irrational cultists. It was one scion of the Mellon clan, Billy Mellon Hitchcock, who bankrolled many of the LSD and other hallucinogenic experiments that were the substance of the "MK-Ultra" drug experimentation program in the 1960s.

For all the revisionism about Jung's "anti-Nazism," it is useful to review the titles of the various Eranos conferences of the early 1940s, as the world was entering the worst phases of the war against Hitler's aggression.

The 1940 conference was on the theme, the origins of Christianity and Gnosis. In early August 1941, two of the three Eranos Conference speakers, Max Pulver and Karl Kerényi, spoke on the subject of "Gnosticism." The 1942 conference had the title, "The Hermetic Principle in Mythology, Gnosis, and Alchemy," with Jung and Kerényi being two of the five speakers. On the eve of the war, in 1938, the subject was, "The Great Mother," focusing on "Magna Mater" cults. Throughout these years, typical themes would be "Manicheanism," "pagan gods," and various other cultisms—cultisms specifically against which, the Christianity of the Apostolic Fathers and St. Augustine had been created.

Imagine this cluster of ideas bouncing around in the head of the man who is, some day, to be Sovereign of the United Kingdom, and head of the Church of England!

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## The research basis for a crash 'BSDI' AIDS program

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*Why molecular biology alone cannot make the breakthrough, by Warren J. Hamerman, Director, EIR Biological Holocaust Task Force.*

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By far the most significant, although least generally commented on, section of the Oct. 29 report, *Confronting AIDS: Directions for Public Health, Health Care, and Research*, by the Institute of Medicine and Academy of Sciences, is a remarkably precise and scientifically honest 82-page chapter entitled "Future Research Needs."

Lest anyone maintain the dangerous illusion that there will be some quick and easy medical "fix" or "magic bullet" to halt the spread of AIDS, and that therefore we should not embark beginning the proverbial "yesterday" on a crash scientific program of unprecedented scale, the "Future Research Needs" chapter should be consulted very carefully.

Despite remarkable experimental work and scientific achievements over the past few years, what is *not* known about the virus and the disease far, far outweighs what is known. The Academy report states about already-accomplished scientific insights into the disease:

Such insights, however impressive, are only the beginning of what promises to be a long and difficult path toward effective therapeutic interventions to minimize or eliminate the debilitating effects of HIV infection and toward limiting the spread of the virus by means of safe and effective vaccines.

The genetic structure and mechanical features of the infection have been well characterized. However, science does not yet understand how the virus initiates infection, how it maintains infection, and what determines the triggering, progression, and diversity of the resulting disease complex. What are the co-factors—both external to the individual in the environment and endogenous to the living individual—to infection and subsequent disease activation? All of the questions relating to basic biological causality and

dynamics of the viral infection, as opposed to the statics of the entities involved, are beyond our current scientific frontiers.

Therefore, a scientific crash research effort to conquer AIDS cannot succeed in time if it is only locked into the current mainline tracks of basic biomedical research grouped under the topics Molecular Biology or Biochemistry, Recombinant DNA, or Genetic Engineering technologies. We must encourage such mainline research programs to proceed as a necessary "component" of the Apollo-style AIDS program, and defend such experimental programs against those modern-day Jacobins such as Jeremy Rifkin who would guillotine the genetic engineers and experimental virologists as surely as their anti-science forebears beheaded Lavoisier.

Nonetheless, the inherent limitations of a unilinear or at best limited-track approach, wedded to more or less conventional state-of-the-art molecular biology, will not succeed in generating the needed scientific breakthroughs. Second, despite all the engineering successes of molecular biology and recombinant work, the inherent reductionist character of this approach lends itself to knowledge about the "mechanics" rather than the "causality" of biological processes.

### Configuration of BSDI

We need nothing short of a broad-based, international Biological Strategic Defense Initiative (BSDI), with the following salient general scientific traits:

- 1) Place the program in conjunction with the SDI laser and other energy-beam defense program so as to create maximum reverberation of ideas between research breakthroughs on "new physical principles" in the areas of the SDI, plasma physics and astrophysics, on the one hand, and the biomedical sciences on the other. In short, the program should be

FIGURE 1  
HIV genome

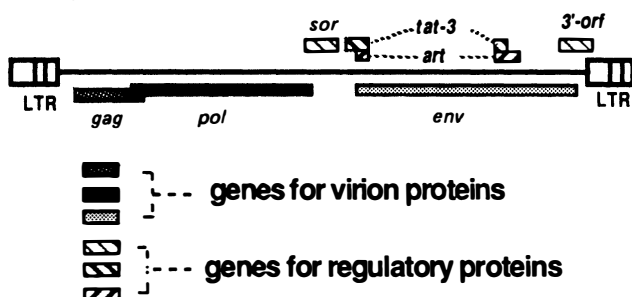


Diagram by Howard Temin, University of Wisconsin School of Medicine, Madison.

Source: Institute of Medicine/National Academy of Sciences: *Confronting AIDS*.

decisively *interdisciplinary*.

2) Nurture the areas of research variously known as *optical biophysics* or *non-linear biological spectroscopy*. This approach to biology was the intrinsic method of the groundbreaking discoveries on optical activity molecular dissymmetry of the great Louis Pasteur (1822-95). Optical biophysics is the study of the interaction of living substances with light—understood as electromagnetic radiation in the broadest sense—over the entire range of wavelengths from x-rays to radio waves. Today, these areas not only already provide and promise to give even more wonderful diagnostic and therapeutic methodologies to biology and medicine, but they also unlock the intrinsic means by which living processes are “tuned.” Not only is there *intercellular* communication through “bioluminescence” or photon emissions, but the *intracellular* events from healthy mitosis to abnormal virus infection may well be ordered through coherent low-level biophoton radiation.

3) Eliminate the fetters on research which are imposed by so-called scientific managers, administrators, bureaucracies, and peer review committees which are inherently hostile to new, daring, and non-conventional ideas.

4) Encourage the broadest-based tackling of the scientific problems on the *international* level by promoting the creation of more and more scientific groups or research teams to become involved in productive experiments. Critical scientific capabilities exist from Indian biophysics, Japanese life science and Israeli basic biology to West German, French, and British biomedical and physics research. It is especially important to create such working scientific groups in Tropical belt nations. It should be recognized that the Soviet Union has extensive and field-leading classified research programs on non-conventional biophysics areas on electromagnetic radiation phase-shifts in biological systems under viral attack, which are critical components for science to find the means to stop the species-threatening disease AIDS.

FIGURE 2  
Life-cycle of HIV

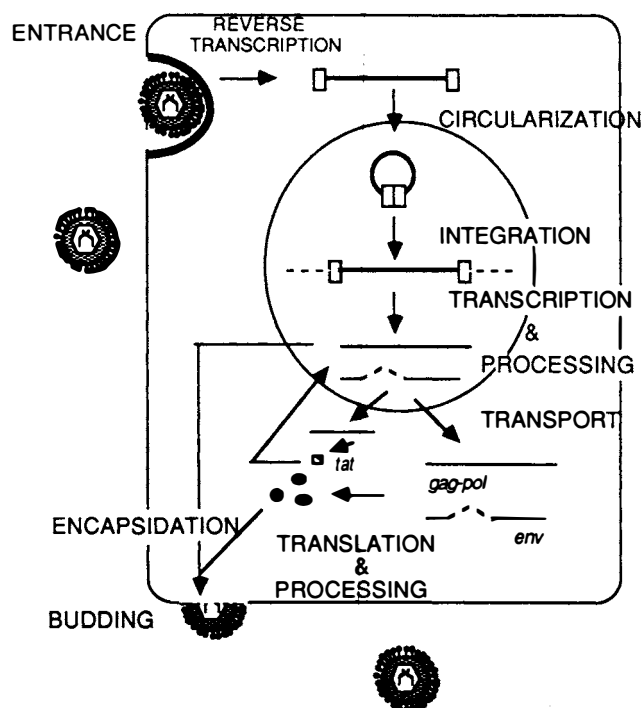


Diagram by Howard Temin, University of Wisconsin School of Medicine, Madison.

Source: Institute of Medicine/National Academy of Sciences: *Confronting AIDS*.

5) Foster an atmosphere which encourages “good scientific ideas and work” and not a pressure cooker for immediate applications and results. As the Academy of Sciences/Institute of Medicine correctly emphasized in *Confronting AIDS*, the progress achieved to date in identifying and characterizing the causative agent of AIDS would not have been possible without the scientific and medical knowledge achieved over the past 20 years in basic biomedical research. In that pursuit, the scientific investigator is rarely certain of when or if his research findings will be applicable to a disease.

6) Follow the model of the Apollo Moonshot program to initiate a crash effort to upgrade basic scientific education to create, and bring on-line, more scientific workers who will be necessary to complete the program.

### What is not known

The Academy of Sciences report presents a straightforward briefing on the current state of our scientific knowledge about AIDS which should be read in its entirety by as many scientists and laymen as possible. The briefing is organized into the following sections: The Structure and Replication of HIV; the Natural History of HIV Infection; Epidemiologic Approaches to Understanding the Transmission and Natural

FIGURE 3

### Structure of the HIV virion

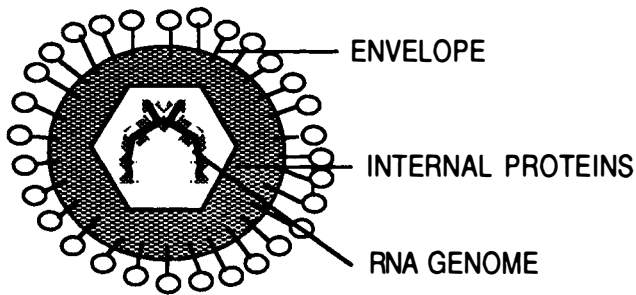


Diagram by Howard Temin, University of Wisconsin School of Medicine, Madison.

Source: Institute of Medicine/National Academy of Sciences: *Confronting AIDS*.

History of HIV Infection; Animal Models; Antiviral Agents; Vaccines; Social Science Research Needs; Funding for Research Related to AIDS and HIV; References.

There are many key scientific aspects of the disease which are currently beyond existing knowledge.

What are the unique features of the AIDS retroviral structure? Molecular cloning and nucleotide analysis of a number of independent isolates of HIV (Human Immunodeficiency Virus or the AIDS virus), have demonstrated that the virus has unprecedented complexity and marked diversity when compared with other known retroviruses. All previously known retroviruses depend on the protein products encoded by three viral genes known as *gag*, *pol*, and *env*, which specify the various structural and enzymatic functions required for viral infection and transmission. However, the HIV virus contains a minimum of four extra genes. At least two of these four additional genes correlate with functions which are *unknown* at this time.

What are the biologically causal dynamics in the entry of the HIV virus into the cell? The viral particle binds to a specific receptor molecule expressed on the surface of an appropriate target cell, enters the cell and uncoats in the host's cytoplasm. What causes each of these steps to occur? What coordinates this activity? The HIV envelope glycoprotein is unlike the similar components of most other retroviruses, both in its large size, and in the extent and pattern of its sequence variability. Under what conditions will cell entry occur and under what conditions won't it occur in a living organism (*in vivo*)? The Academy report emphasizes that the mechanism of attachment of HIV to its cellular receptor and its entry into the cell is as yet poorly defined. The entry and uncoating of the virus may or may not involve a membrane fusion event. In short, what are the co-factors for the initiation of the viral activity?

The retrovirus's single-stranded RNA is then transferred

to a full-length linear duplex DNA intermediate by the activities of one or several enzymes known as reverse transcriptases. The linear intermediate is then transported to the nucleus, where it is circularized before becoming integrated in a stable manner into the DNA genetic material of the host cell itself. Once the virus's genetic information is integrated into the host's nucleus DNA, the retroviral genome is known as proviral DNA. How and why does the HIV genome migrate to the nucleus? How and why does its subsequent circularization occur? What are the causal and coordinating aspects of this integration activity? How does it precisely occur *in vivo*?

The provirus lies dormant, incorporated in the host cell's own nucleus. Under certain conditions after a prolonged period of time, the provirus is activated. Once activated, through a multi-step process, the provirus produces a messenger RNA which leaves the nucleus and causes the cytoplasm of the host cell itself to synthesize and assemble new viral particles, exact replicas of the original retrovirus, out of the cell's own protein. The new viruses are assembled near the cellular plasma membrane. The new retrovirus information proceeds through the cell plasma membrane, wrapping the information in a protein coat, as it buds from the cell. What factors initiate this process? What are the means for coordinating such an activation process? How do each of the individual steps proceed?

The HIV virus possesses an envelope with protruding spikes which surround a central electron-dense core. To fully understand the structure of the viral core, we need the methods of advanced physics to achieve the high-resolution of the structure of the viral proteins. Does the core resemble an electron-dense plasma? What are the locations and amounts of the various internal proteins and the nature of their interaction?

Why is there such a large rate of mutation (genomic variation) in the envelope glycoprotein of the HIV virus? Is this a direct feature of a genome which is composed of a single strand of nucleic acid (RNA in the retrovirus)?

The diversity does not appear to be random but occurs within several bands—"hypervariable domains." What are the means which cause the pattern of variability and the conservation of multiple variation domains?

Why has the virus so strongly selected for human cell infection? What are the unique features of *in vivo* viral expression?

What are the different modes of the process of infection in the neurological as distinct from the immunological system?

What are the implications of these novel features of the AIDS virus for transmission?

What are the co-factors for transmission?

What are the subtle interactions between specific cellular immune response to HIV and the determinants of that response's success or failure?

What are the exact mechanism of cell killing by HIV?





Courtesy of Technicare

*A Nuclear Magnetic Resonance scanner at the New York Hospital-Cornell Medical Center. NMR is a spectroscopic technique which allows detailed imaging of plant viruses, to determine how a virus affects the host cell. The method has great potential for study of the HIV virus in humans.*

The Academy of Sciences draws the following conclusion from the current state of knowledge:

In the past few years the techniques of molecular biology have provided the starting materials for a detailed evaluation of the replicative pathways of HIV and for the development of therapeutic strategies to inhibit those pathways. Although HIV was only discovered in 1983-1984, research has been so rapid and so successful that almost as much is now known about its molecular virology as about any other retrovirus. However, less is presently known about HIV-cell interactions than for many other retroviruses. As the pathogenesis of AIDS is clearly related to the interaction of the causative virus with the susceptible host, at the levels of both the target cell and the host organism, much more must be learned about the biology of HIV infection. Although an empirical approach to the development of prophylactic and therapeutic measures for HIV infection and AIDS may work, rational strategies are more likely to succeed, and these will require a good knowledge base.

### **Why optical biophysics?**

There are several examples of the need to promote basic optical biophysics as an emphasized feature of the crash research program, which do not even get into the more restricted domains of advanced electromagnetic countermeasures for insect vector control and so forth.

At an international conference on "Magnetic Resonance in Biology Systems" two years ago in Goa, India, several interesting papers were presented.

A Dutch research team from the Agricultural University of Wageningen and the University of Utrecht presented a paper on "A Magnetic Resonance Approach of the Elucidation of the Molecular Mechanism of Virus Infection." The scientists used two plant viruses—the Tobacco mosaic virus (TMV) and the Cowpea chlorotic mottle virus (CCMV). These plant viruses, like the HIV virus, are composed of a protein coat surrounding RNA. TMV is shaped as a cylinder, 18 nanometers wide and 300 nanometers long, with a helical single strand of RNA inside. CCMV is shaped like a sphere with a diameter of 27 nanometers. Through the special application of advanced Nuclear Magnetic Resonance (NMR), the scientists were able to explore the very types of questions for the plant virus which must be studied for HIV: What are the processes by which a virus particle penetrates the host cell, dissociates, assembles, and leaves the cell.

A series of papers were presented by other scientists on frontier techniques of *in vivo* biological spectroscopy through NMR imaging.

A French biophysics research team based at the Pasteur Institute and National Research Labs at Saclay presented beautiful work on the mechanisms whereby the DNA helix shifts from a right-handed to a left-handed geometry. Another team of French biophysicists reported on a study of Transfer RNA structure and dynamics through NMR imaging of proton exchanges in the different nucleic acids.

NMR is only one technique of biophysics spectroscopy. Others include: Multi-parameter Light Scattering (MPLS) and its more specific form of Circular Intensity Differential Scattering (CIDS) based upon left and right polarized light; Biophoton multiplier counting; x-ray diffraction; Infrared (IR) and Ultraviolet/visible (UV) spectroscopy; electron para-

magnetic resonance (EPR); Raman resonance; fluorescence; scattering; optical activity; Microwave (MW) interventions; and soon x-ray microscopy of living organisms!

Thus, spectroscopic techniques include scattering, absorption, emission, and diffraction studies of all sorts across the electromagnetic spectrum, which ranges from radio waves with wavelengths around  $10^{-1}$  meters, to gamma rays with wavelengths around  $10^{-11}$  meters. Visible light covers a very small range in the electromagnetic spectrum from  $4 - 7 \times 10^{-7}$  meters.

Light microscopes only have a resolving power well above the range of individual molecules. Electron microscopy can achieve higher resolution to about 2 nanometers but the sample must be studied in a vacuum and it must be first killed, then sliced very thin, and finally stained with a heavy metallic dye. Obviously such a technique cannot study living processes while they are living. Diffraction studies of crystals of pure macromolecules can give structural information to the atomic level (approx. 0.15 nanometers), but this technique requires crystals. Experimental programs in the United States and in West Germany are rapidly creating the basis for *in vivo* imaging with x-ray laser microscopy.

### Pasteurian method

How are we going to expand our knowledge about the fundamentals of biological processes?

The real contribution of a Pasteurian optical biophysics approach to basic research, is that this method of investigation promises to reveal the most fundamental secrets of living processes. Approximately 10 million cells die in the human body every second, and with a few exceptions they are "normally" replaced within that same second. Genetic information theories, hormones, enzymes, and nerve-impulse signals are all too slow to coordinate such a turnover. Only bioradiation phenomena are quick enough to "tune" such a living orchestra.

Thus, a cell has two critical alternatives:

- a) Mitosis or cell division as part of a healthy process of growth;
- b) Viral replication and cell death as part of a diseased state.

Dr. Fritz-Albert Popp of the Technology Center at the University of Kaiserslautern in West Germany has devoted his life's work to studying coherent ultraweak photon emissions from living tissues. It is generally accepted that all living systems emit a very weak photon radiation of a few up to some hundred photons per second and square centimeter of surface area, ranging at least from ultraviolet to infrared. This low-level biophoton activity is not a mere biochemical luminescence. It corresponds to definite physiological and biological functions in cellular activity and strongly suggests a hypothesis that these biological photons or *biophotons* play a regulatory role.

Even more startling, Dr. Popp has demonstrated experimentally and theoretically that the biophoton luminescence originates from an electromagnetic field with a surprisingly high degree of coherence, as compared, for example, to technological fields such as the man-made laser. Popp's hypothesis is that the biomolecule with the highest information density, DNA, is the best candidate for the source of the biophoton regulatory radiation.

Dr. Popp is not the only worker in this domain. Sydney J. Webb of the University of Saskatchewan in Canada has explored the various "harmonics" of electromagnetic radiation signals in cell mitosis. In particular he has studied the effects of various microwave frequencies on the phenomena of genetic continuity and metabolic regulation.

W. Grundler of the Gesellschaft für Strahlen und Umweltforschung in West Germany has investigated the frequency-dependent biological (non-thermal) effects of low-intensity microwaves.

Since the research work in optical biophysics has not been in the mainstream of Western programs, the scientists who have gone in this direction have had to resist a tremendous amount of peer pressure. Their work has been underfunded and without adequate institutional backing.

In the United States, for example, biophysics was generally downgraded in 1968.

In the Soviet Union, on the contrary, this area of work has received intense support and classification.

The time has come for mankind to face scientific reality. We are faced with a species-threatening disease. Only a full-scale Apollo moonshot crash effort, mobilizing all the scientific capabilities at our disposal, and creating yet more tomorrow is appropriate. I propose that we give this crash effort the name: *The Pasteur Project*.

Ahead lies uncharted territory which will be characterized by an immense amount of hard work and an uncommon richness of scientific discovery. On with *The Pasteur Project*!

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# Adolf Busemann: a giant in the field of aerodynamics

*Carol White honors the pioneer scientist who died this month.*

On Nov. 10, Adolf Busemann, one of the pioneers in the field of supersonic flight, died. He was 85 years old, and during his lifetime he made significant contributions to the field of space flight, he designed the sabre jet airplane, and he contributed major insights into the field of magnetohydrodynamics.

He was born in Lübeck, Germany, and worked on airplane and rocket design in Germany in the 1930s. He trained with Ludwig Prandtl, the leader of the German hydrodynamic school, and he passed this tradition on to a generation of American scientists and engineers, when he came to the United States in 1947. In the United States, he worked for the National Advisory Committee for Aeronautics, which later became the National Aeronautics and Space Administration (NASA), in Langley, Virginia, on problems concerned with the aerodynamic forces and surface heating involved in starting and landing space vehicles.

Busemann was responsible for redesigning airplanes capable of efficiently and safely flying at speeds beyond the speed of sound. He developed the design for the Busemann biplane, which would have had a double wing configuration that would have completely eliminated drag at supersonic speeds. While this plane was never built, it was used as a theoretical model by the aircraft industry.

He invented the swept-wing, streamlined design familiar today. In 1945, many tragic accidents occurred because airplanes were not being streamlined. Only after Busemann's discovery was applied after the war, were American jet planes redesigned to conform to Busemann's discovery.

Some years ago, my colleague, Uwe Parpart, attended a scientific conference in Moscow. He was shown a design by Busemann which the Soviets had appropriated at the end of the Second World War. It was identical with the Concorde!

But his greatest contributions were in the field of methodology, where he applied the hydrodynamic method of Leonardo da Vinci and Bernhard Riemann, to the problems of aerodynamics.

On Nov. 6, 1981, he was honored at the second annual award dinner of the Fusion Energy Foundation, which he attended. It is fitting that we reprint here excerpts from remarks made by speakers at that dinner, about his contributions to their own research and the development of science as a whole.

Dr. Karl Guderley, another leading scientist in the study of shock-wave phenomena, had this to say about him: "Bu-

semann possesses, of course, very extensive knowledge ranging from engineering (including the repair of an outdated television set) through physics (including quantum mechanics and plasma physics) to mathematics (including little known facts of geometry). But this knowledge goes beyond facts and technical details or logical proofs. It comes alive as an insight into the essence of the subject, an insight frequently formulated in a very striking original manner. Problems of aerodynamics may appear in an easily visualized form.

... It has frequently been observed how much Ludwig Prandtl liked to play with things. A toy gyro placed in front of him at a dinner table captured his attention and led to an impromptu lecture. I believe that Busemann plays in a similar manner, but with ideas and perhaps more mathematical toys, until he arrives at a very vivid picture of the essence of a problem. This, then, may lead to the recognition of new facets which someone who just knows the facts, as you find them in a textbook, is unable to recognize. Strangely enough, some of the insights are so simple that in retrospect one does not realize how novel they were at their time. He proposed the swept wing in a lecture at the Volta Congress [a seminal aerodynamics meeting in Volta, Italy] in 1935. The concept was overlooked in the U.S.A. According to von Karman, it came as quite a surprise when in 1945 one suddenly recognized its importance. . . .

"Another striking example of an unconventional approach is the problem of changing the elliptical orbit of a satellite into another one. Each possible orbit is described by a point in a three-dimensional space. The fuel consumption needed to change an orbit into a neighboring orbit is taken as distance definition. The fact that the distance figure determined by this definition has concave parts shows immediately that sometimes discontinuous maneuvers in which one uses temporarily an auxiliary orbit may be optimal from the point of view of fuel consumption."

Dr. William Grossman, a leading theorist in plasma physics, described his days as a student of Busemann. He noted that many of the things Busemann discovered were not recognized until 30 years later, such as a pump system which he proposed in the 1930s, which was only developed in 1962.

The late Krafft Ehrlicke not only was an expert in rocket design, but was one of the seminal planners of industrialization of the Moon. He said at this dinner: "Busemann was one of my childhood and young-year heroes. When I was studying aerodynamics at the Technical University of Berlin, Dr.

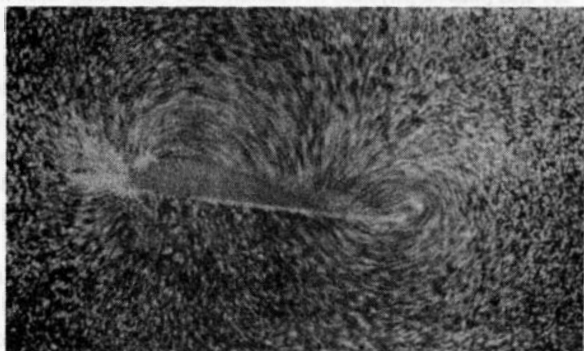
Busemann made me sweat!" Ehrlicke described how, as early as 1935, Busemann had calculated the pressure and force coefficients of various types of wing shapes which were impressively accurate when they were confirmed by wind tunnel tests at Langley Field.

Calling Busemann one of the century's outstanding scientists, Ehrlicke noted: "A great mind has indeed as little limit as a field of gravity. It reaches into infinity and eventually

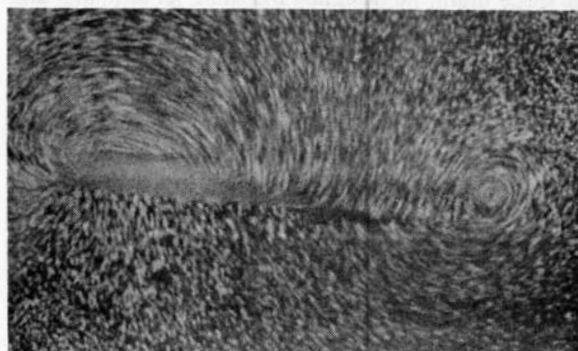
affects every mind. . . . The greater the mind, the more penetrating its effect in all areas of our reasonable understanding of the universe."

Dan Wells, a plasma physicist who has applied Busemann's insights into his own work on plasma vortices, described how he had been influenced by him. Wells spoke of his early work at the Princeton Plasma Physics Lab, generating vortex structures with a plasma gun that made balls of

FIGURE 1  
Busemann's teacher Prandtl's theory of lift



(a)



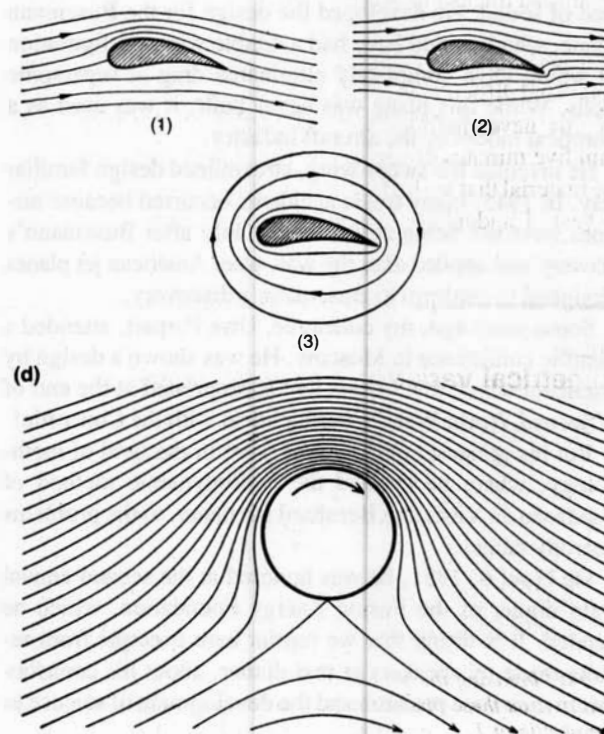
(b)

(a) Flow around an airfoil, with the "starting vortex" emphasized. The camera is at rest with respect to the airfoil. The surface of discontinuity around the wing creates a vortex at the back of the wing.

(b) Now the camera is at rest with respect to the undisturbed fluid, revealing circulation equal and opposite to the "starting vortex."

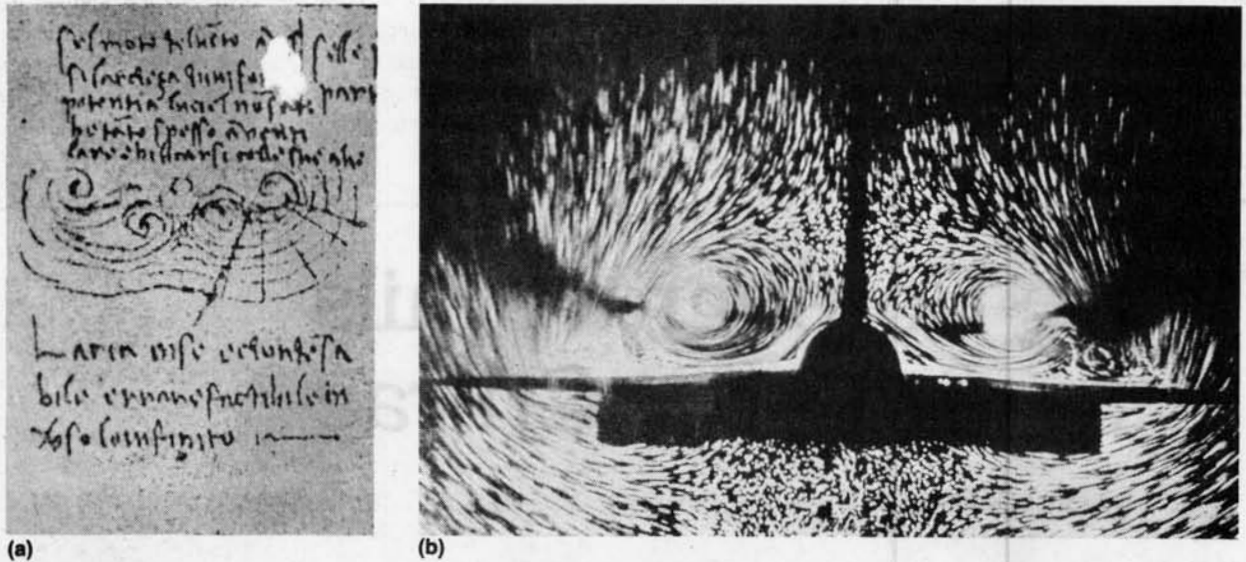
(c) Prandtl explains what is occurring: The flow around an airfoil (1) may be represented by "superposing" the "ordinary irrotational flow" (2) without circulation, and the circulatory flow of (3). Irrotational flow means that the particles in any local region of the fluid do not undergo any rotation with respect to the median line of the flow. Thus, the resulting flow also exhibits circulation, which is very closely related to the occurrence of a lifting force: the circulatory flow acts with the irrotational flow of (2) above the airfoil and against it below. By Bernoulli's theorem, this means that the pressure is diminished above the airfoil and increased below it; that is, there is a lifting force.

(d) The lift phenomenon is analogous to the Magnus effect involved in flow around a rotating cylinder. On the side where the two velocities are in the same direction, the speed of flow is greater. On the opposite side, where the two velocities oppose each other, it is less. A force at right angles to the flow results (upward in the diagram). This explains why a baseball to which a high spin is imparted will "pop up."



Source: (a)(b)(d) L. Prandtl, Applied Hydro- and Aeromechanics (New York: Dover, 1957), pp. 299, 300, 83; (c) L. Prandtl, Essentials of Fluid Dynamics, p. 70.

FIGURE 2



Leonardo studies vortices around a bird's wing (a). Compare this to vortices around airplane wings (b).

Source: Institut de France Ms. E 47v.

plasma move down a magnetic guide field. The field acted like railroad tracks guiding the donut-shaped plasma projectiles.

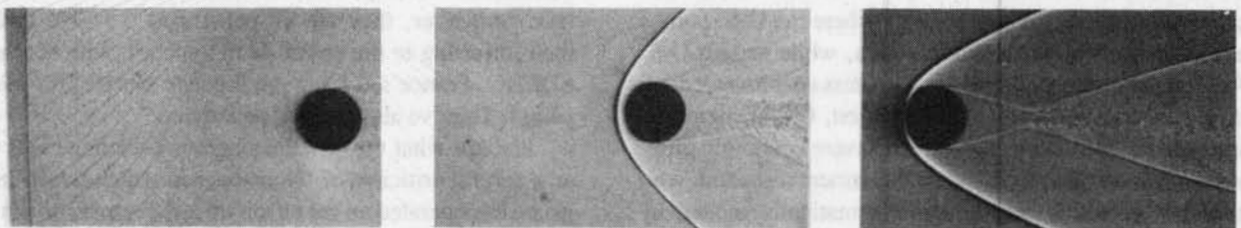
"It was very hard to understand physically," Wells recalled, "and difficult to connect the mathematics of Hamilton with this never-before-observed nonlinear structure. Yet, within five minutes of seeing the Busemann approach to the same material that we had been struggling over for six months to a year, I understood exactly what was going on. In one

simple diagram and three or four paragraphs, Busemann had clarified the whole formation for us.

"With that beginning, we carried the experiments forward. Using the techniques described by Busemann, we can now generate very hot, very dense plasma structures. . . . In the future, the real value of this work with hydrodynamic forces will play a major role in both experimental and theoretical research with magnetic fusion devices. The real value of Busemann's contributions will only be seen in the future."

FIGURE 3

### Geometrical variation in shock waves at different speeds



The term "breaking the sound barrier" is a misnomer. Actually, increases in speed produce geometrical variations in the same type of singularity, as these photographs of an object at different speeds show. Above, sound wave silhouettes for a 9/16-inch diameter spherical projectile at 1, 2, and 4 times the speed of sound.

Source: Rouse, *Elementary Mechanics of Fluids*, p. 345.

## De Borchgrave fails to undercut Chirac

by Paul Goldstein

The international furor created by the interview given by French Premier Jacques Chirac to the Reverend Moon-controlled *Washington Times* editor, Count Arnaud de Borchgrave, served not only to clearly define French policy toward terrorism and the Mideast, but demonstrated that de Borchgrave is working with factions inside U.S. intelligence associated with the State Department/bankers' policy led by Zbigniew Brzezinski.

Chirac's statements, intended for private messages back to the Reagan administration, were printed in full by the *Washington Times* after Chirac and unnamed French officials denounced the characterization of them as a plot to destabilize the French government. However, despite the best effort of de Borchgrave to set Chirac up in the interview, Chirac turned the tables on him and identified key points of failure in U.S. policy on the question of the Mideast, North Africa, and terrorism.

Chirac began the interview stating that U.S. policy toward Libya was "at times a little primitive" and went on to explain the contradictions in a policy where the U.S. bombs Libyan dictator Qaddafi's headquarters, while certain U.S. oil companies continue to conduct business enabling Qaddafi to reap the revenues from oil. In addition, Chirac identified that moderate Arab states faced with severe economic problems and growing threat of Islamic fundamentalism and "who should be protected [are] being systematically incited by American initiatives to adopt anti-American attitudes . . . so I wonder whether certain American initiatives are really appreciated beyond their quick-fix impact."

Chirac proceeded to defend French sovereignty and French policy toward the Mideast and North Africa, concentrating on Lebanon, Syria, and Tunisia. When de Borchgrave tried

to shift the discussion to the proof of Syrian and East bloc intelligence services' involvement in running terrorism, Chirac raised the question of what kind of strategy there is. "If you tell me," the premier said, "that we are going to declare war on a number of countries and bring them to their knees, that is a strategy that could be debated, though I do not hear anyone suggesting such a course. But if it is merely a war of words, I say watch out. We are faced with a situation in that part of the world which is exceedingly delicate and explosive and requires a modicum of psychology and long-term thinking and planning. It is the lack of peace which bring us terrorism. . . ."

After this interchange, Chirac and de Borchgrave engaged in a lively repartée in which Chirac asked not be quoted. Suddenly, when questioned by de Borchgrave about the statement by the French intelligence service's former chief Alexandre de Marenches, that there is irrefutable evidence on the control of international terrorism, Chirac dropped a bombshell: "Your [secret] services and our own are worthless. Moreover, they are all penetrated. . . . No different then [referring to the era of de Marenches, who headed the SDEDC, France's foreign intelligence service, for over 11 years]. They've always been penetrated."

Perhaps what upset de Borchgrave even more was Chirac's careful criticism of the manner in which Israeli intelligence has operated on the terrorism issue, especially its arms dealings with the Iranians and with elements of Syrian intelligence, in which the Israelis have had a deal to destroy the moderate Palestinians. He implied that the Israelis, even with the help of Syrian intelligence, helped set up the Hindawi Affair, the case the British used to convince the world that the Syrians are behind terrorism. Chirac was not refuting the

idea that Syria is behind terrorism, but simply the specific case that the British were using to demonstrate that fact.

To properly situate why the interview with Chirac caused such an uproar, we must examine the motives of de Borchgrave and his friends that deployed him. First, de Borchgrave is aligned with a faction of U.S. intelligence that helped build up the Socialist Parties' political position in France, Italy, Spain, and Portugal: specifically, the networks associated with Irving Brown and the Socialist International, which are allied with the Moon Unification Church and the Ariel Sharon wing of Israeli intelligence. Besides Brown, whom de Borchgrave has worked with for years, Michael Ledeen, Alexander Haig, Joseph Churba, and the Heritage Foundation are in this apparatus, which represents the forces inside France completely opposed to Chirac's neo-Gaullism and his nationalist stance on foreign policy. They intersect not only President François Mitterrand's intelligence networks, but are deeply involved in supporting Raymond Barre's position in the government coalition and his potential candidacy for President. It is not so ironic that after Chirac's infamous interview Mitterrand criticized the government's foreign policy.

The gameplan to destabilize the French government centered around two points. First, the British were becoming increasingly concerned with the unofficial and official improvement of U.S.-French military and intelligence cooperation. For a couple of years, some patriots within U.S. intelligence have consciously sought an upgrading of cooperation with French intelligence, at least those factions opposed to the Mitterrand Socialist government's protection of international terrorism in France. This process began to bear fruit on the question of terrorism and potential joint U.S.-French special operations. This kind of new arrangement, despite the traditional strain in U.S.-French relations, became a threat to the interests of the British Foreign Office and its Mideast policy. The British Foreign Office and its junior partner, the State Department, were attempting to carry out their own arrangements with the Syrians, Iranians, and Russians in the Middle East, excluding Chirac's government.

Second, the internal situation in France is highly fluid, with presidential elections coming up soon, and the handling of terrorism a major policy issue. If the de Borchgrave crowd could shift the favorable climate toward Chirac engendered after the terrorist wave in September and October, toward either Mitterrand or Barre, the Chirac interview would be the opening volley in their battle to topple him.

### **The role of de Marenches**

Central to this destabilization is the activity of de Borchgrave's cousin, former French secret service chief Alexandre de Marenches. De Marenches recently went public with a book about France and the world of secret intelligence, and announced that he has discovered a huge cache of files from the period France was occupied by the Nazis. A systematic rumor campaign against certain Gaullist figures who were in the Resistance and closely aligned with Chirac has begun,

aimed at undermining Chirac's political and intelligence networks.

Anybody who knows or pretends to understand French politics and its intelligence agencies, knows the significance of the Gestapo files, especially in identifying leading figures who collaborated with the Nazis. De Marenches leaked these stories to the French and world press prior to the de Borchgrave interview. At approximately the same time, former President Valéry Giscard d'Estaing announced his opposition to Chirac's support of President Reagan's Strategic Defense Initiative. De Marenches, although he had significant differences with Giscard d'Estaing when he headed the SDEDC, is now aligned with Giscard and Barre along with the Socialists, against Chirac.

### **France's anti-terror policy**

During a recent trip to Paris, this reporter met with several French intelligence officials and got a profile of their thinking concerning the U.S. policy on terrorism. One official made it clear that the French were not only willing to deepen the collaboration with U.S. intelligence, but had proposed several operations concerning Qaddafi's Libya. His frustration became apparent; it paralleled Premier Chirac's statement in the de Borchgrave interview that the United States did not have a coherent short and long-term counter-terror policy. As is apparent in the now-exposed Iran hostage-for-arms deal, Chirac and this official were essentially correct.

France has not appeased or capitulated to the terrorist demands. In fact, several top French officials privately went to Damascus to issue an ultimatum to Syrian President Hafez Assad, that the French know the hand which is behind the wave of terror that hit Europe. This ultimatum was given in mid-October, at the same time that certain French officials were in Washington, D.C. briefing the United States on their policy. When it became clear to certain U.S. circles that the French were embarked on their own policy track, threatening the carefully orchestrated arrangement between the State Department and the British Foreign Office with a faction of Israeli intelligence, the de Borchgrave operation went into full swing.

Finally, Chirac's statement on the role of Israeli intelligence must be clarified, vis-à-vis the briefing Chirac received from West German Chancellor Helmut Kohl concerning Israeli and Syrian intelligence involvement in the Hindawi Affair. It may be that the Mossad and Syrian intelligence set up the Hindawi brothers for the fall in order to destabilize the Hafez Assad regime; however, this misses the point. Syrian intelligence has been involved in international terrorism and receives backing from the Soviets. Moreover, the Sharon faction inside Israel has been playing with Syrian intelligence to eliminate the moderate Palestinians and potentially to create a limited war between Israel and Syria designed to redraw the map of the Middle East, to eliminate the nation of Lebanon. To the degree Chirac is addressing this issue by using the Hindawi Affair, he is right on the mark.

# Peru's García teaches the economics of victory

by Gretchen Small

Peru's Nov. 9 municipal elections, the first since Alan García took up the presidency in July 1985, were watched at home and abroad as a national referendum on García's policies. García accepted that challenge, telling supporters of his APRA party gathered in front of the presidential palace Nov. 7, that voters should deliver a "vote of confidence" in his government by voting APRA. "We must make our country a model of leadership for other peoples," he stressed Nov. 1.

The election results were conclusive: García's party swept into office in 9 out of the country's 10 largest cities, including the nation's capital, Lima, and now dominates 15 departments in the country.

From Moscow to Wall Street, proponents of an imperial world order desperate to prove that no government which challenges the international monetary system can survive, had sought APRA's defeat at the polls. Once weakened, preparations to overthrow García, until now stymied by his extraordinary popularity, could finally advance.

García campaigned on the basis of his economic program, and won. His victory sends a message to capitals around the world, demonstrating that where vigorously pursued, nationalist development policies can defeat the Moscow-backed left, even while a nation is still battling to overcome the devastation wreaked by the International Monetary Fund.

Delighted with the outcome, U.S. presidential candidate Lyndon H. LaRouche sent García a telegram: "Once again it has been demonstrated in our hemisphere that patriotism, and a firm defense of national sovereignty and the right to economic development, are capable of defeating all extremisms."

## Debtors meet

García's ability to rally his nation behind his policies will not be missed by representatives of 34 developing-sector nations who arrived in Lima three days after the elections, to attend the First Non-Aligned and Developing Sector Conference on Debt Nov. 12-14. Peru organized the Lima talks during the August Non-Aligned Summit in Zimbabwe, after García called upon the developing sector to put aside geopolitical squabbles, and unite their forces to overturn the

"economic apartheid" imposed against most of the world's peoples by the IMF.

Developing-sector leaders have been studying Peru's strategy of linking debt payments to a percentage of export earnings—dubbed the "10% solution." The viability of this strategy is now enhanced by the recognition that while García has been able to strengthen his government, despite the terrorist armies of the drug mob inside Peru, in other debtor countries, institutions are shattering, and anti-IMF riots and strikes escalate.

Delegates from Nigeria, Morocco, Egypt, Algeria, Zimbabwe, Cameroon, and the Central African Republic were among those present at the debt conference, as well as from the Asian nations of South Korea, North Korea, Indonesia, India, Sri Lanka, Oman, and the Philippines—the first time that policymakers from Ibero-America, Asia, and Africa have sat down together to discuss the debt problem in detail. The meeting was private, so that talks could be held without fear of press leaks. Peruvian foreign ministry officials reported in advance that agreement was expected on some form of permanent exchange of information among the debtor nations.

On the eve of the debtors' summit, the Mexican daily *Unomasuno* reminded its readers that the García option is still open for Mexico. "It is proper . . . to reflect seriously on the Peruvian experience when Mexico, despite rigorous debt payments and all the concessions given creditors, continues to find many obstacles in the path of access to foreign financing, while the internal economic situation continues to deteriorate," the Nov. 8 editorial states.

On Nov. 12, the *Manila Times* featured an opinion column entitled "Defying the IMF-World Bank," examining Peru as a debt-strapped country that is pulling its way into prosperity. After years of recession, a miracle is now taking place in Peru under the leadership of President García, the prestigious Philippine paper notes. The lessons of García are simple. If a person is sick, and the doctor gives him a prescription that makes him sicker, the best thing to do is get rid of the doctor and get a new prescription. García has restored national independence to Peru.

The same message is now being brought to thousands of



Filipinos through a pamphlet entitled, "The Third World War: The Debt Fall-Out," Philippine sources report. Its last chapter is dedicated to the "Peruvian Solution."

### **A campaign for great projects**

Winning the Lima mayoralty was the critical victory needed for the García government. Some 6 million people live in the capital city, but for the past years, control of the city has been in the hands of the Moscow-run United Left party. The left had gained significant force in the country during the previous 10 years of IMF-run governments.

García's government faced an additional problem. The pro-Moscow, anti-García wing of APRA, led by current party Secretary General Armando Villanueva, sought to throw the elections to the United Left party, by sabotaging the APRA election campaign. That would weaken García, but strengthen their hands inside APRA for the next round of power struggles. Villanueva's sabotage included vetoing García's proposed candidates for the post, only agreeing in the end to allow a relatively unknown APRA member, Jorge Del Castillo, to be the party candidate. The party machinery which Villanueva controlled then limited its campaigning to a minimum.

Economic reality, however, outflanked the party hacks. Del Castillo won, by campaigning as García's candidate, the mayor who will see to it that García's program to build a rapid-transit system in Lima is completed. Against the objections of both the World Bank and the Marxists running the Lima government, the García government had initiated the construction. Every mayoral candidate except Del Castillo, whether of right or left, called it "too expensive," beyond "Peru's possibilities," or an "extravagance."

With one-third of the national population and more than half of country's industrial activity located in Lima, the lack of any rapid transit system has crippled productivity. The train system, which García called "the most major urban work which this government can undertake," is planned to run along the north-south axis of the city, connecting industrial sites with the homes of most of the labor force, now located on the periphery of the city. An estimated three to five hours of travel time *a day* can thus be saved for some. 25,000 jobs will be created just in building the train, and millions in materials and equipment purchases from local manufacturers will be generated.

Marxists and bankers joined to try to stop the project. The World Bank stopped disbursing funds for the train, one month before the elections, claiming that the central government had imposed the project over the objections of the city's (United Left-run) government. The objections of the U.S. Eastern Establishment to such audacious plans were reflected in a Nov. 8 *Washington Post* story, which praised Lima's "Marxist mayor" for his fiscal responsibility. Alfonso Barrantes, the *Post* wrote, "has fiscal responsibility. Alfonso Barrantes, the *Post* wrote, "has shattered the myth of the

left's incompetence in administrative power." García's economic policies it called "impetuous."

Voters chose to better their city, and voted in the man who promised to complete the rapid transit system.

The Lima train project exemplifies how García organized across the country. On Nov. 1, he inaugurated the Chavimochic irrigation project in the northern department of La Libertad, a huge project which will open up 100,000 new hectares for cultivation, and improve irrigation in others. "Could it possibly occur to an IMF-er that the basic minimum income of the population could be tripled? Could it possibly occur to an IMF-er that more than 150,000 jobs would be created for humble people, as we have done?" he asked at the opening ceremonies.

On Nov. 5, he joined the inauguration of the Paucarani dam near Tacna, Peru's southernmost city. The dam is said to be the highest in the world at 5,000 meters above sea level, and will store 8 million cubic meters of water for both irrigation and consumption.

In his brief speeches at each project, García stirred the population to greater efforts, demanding that they abandon the defeatism born of suffering and poverty, and instead mobilize their "capacity for victory." Great development projects bring more than simply their material benefits, he noted at the irrigation project. "They begin the work of spiritual regeneration to irrigate our spirit . . . in the certain hope that while many difficulties will come, we will not face the difficulty of defeating our spirit, but we will have, instead, always one last bullet to fire in the defense of our existence and of our children."

### **Cry 'dictator!'**

The response of Moscow and Western bankers to their defeat, is to threaten to make the country ungovernable, using the charge that García's popularity has made him a "dictator." That line was signaled before the elections by former Prime Minister Manuel Ulloa, a former Wall Street banker hated in Peru for his policies favoring the drug-economy and the IMF. In a Nov. 2 column in *Expreso*, Ulloa called for either the Marxists or the right to win in Lima, in order to stop García. But if the APRA wins, he threatened, the government will be read as "a civil dictatorship," and "irrational anti-APRismo, fed by terrorist violence" could develop.

United Left activists are calling for a "mobilization in the streets." Can the tactic work? Militarily, Moscow and the bankers deploy significant power, through still-strong narco-terrorist armies. But García won the elections, not they, winning the support of many who had earlier turned to the left out of anger at the last government. As García stated on election day, "The terrorists know that we, out of doctrine and conviction, will be a government of national economic independence, with decentralization, distribution, and a gradual improvement in the people's welfare. This terrifies them."

# Kremlin gives orders to West's writers

by Luba George

In the middle of October, a number of top Western writers and other "cultural" celebrities held an "extraordinary conference" at the Kremlin with Soviet leader Mikhail Gorbachov. The fact that Gorbachov, barely one week after Reykjavik, made time for such a motley crew, is itself extraordinary. Who were these honored "men of culture"?

They included: Alexander King, president of the Club of Rome; American playwright Arthur Miller; American novelist James Baldwin; Russian-born English actor and writer Peter Ustinov; French writer and Nobel Laureate Claude Simon; Alvin Toffler, author of *Future Shock*; Cuban author Lisandro Otero; Spain's Federico Mayor; Indian composer-musicologist Narayana Menon; and Ethiopian painter Afewerk Tekle.

They arrived in Moscow via Kirghizia, the Central Asian Soviet Republic, where, in the town of Issyk Kul, they held "very private" sessions at the invitation of one of the leading figures of Gorbachov's culture mafia, Kirghiz author Chingiz Aitmatov.

Aitmatov has spearheaded the "ecological" campaign in the U.S.S.R. to stop Central Asian river diversion projects. He has been placed in a leading role, together with his colleague and top GRU (military intelligence) official, Julian Semyonov, to make contact, recruit, and organize Western "men of culture" to act on orders from Moscow.

Aitmatov, in an interview with the Soviet international weekly *New Times* (Nov. 3, 1986), described in outline how this new cultural "Trust" was formed: "We are all friends and we all think alike. We have long known each other and maintain warm, heartfelt relationships. What induced us to get together for the Issyk Kul forum was the urgent need to discuss the problems that surround us, not at an official 'negotiating table,' but by the fireside, as it were. The Issyk Kul forum is a sign of the times . . . an instance of a practical search for a new mode of thinking. . . . The new ideas must penetrate every sphere inclusive of politics, so that a new way of thinking may emerge in every country."

Aitmatov's call is an echo from the past. In the summer of 1932, the first attempt was made by the Soviet Cheka (KGB) to involve the world's "cultural elite" in creating

large-scale radical "peace" movements in Europe, Asia, and the Americas. A call for a "world anti-war congress" by the Bolshevik "masters of culture"—Maxim Gorky, Ilya Ehrenburg, and Alexei "Red Count" Tolstoy—engaged the active support of writers Heinrich Mann of Germany, Henri Barbusse and Romain Rolland of France, Theodore Dreiser and Upton Sinclair of the United States, "Pugwash"-founder Bertrand Russell of Britain, and many others.

The Soviet literary weekly *Literaturnaya Gazeta* on Nov. 5 gave front-page coverage to the Issyk Kul group's meeting with Gorbachov. The article, entitled "Our Age Demands New Thinking," reveals that Alexander King's association with the Soviet Union goes back to 1933—the year famine was raging through the Ukraine, as a result of Stalin's forced collectivization program. King is a co-founder and current president of the Club of Rome International, the command-center for Malthusian planning. "My first visit to the U.S.S.R.," said King, "was in 1933. Thereafter, my visits have been many. I especially remember my first visit and how greatly impressed I was by the newness of life in the country. But never before have I experienced such hospitality and openness as during my visit now."

According to Tekle, interviewed in *Lit Gaz* on Oct. 22, the group discussed "all aspects concerning the contemporary situation—from ecology to culture, from politics to linguistics. . . . The Issyk Kul brainstorming was the beginning of a new movement."

King's comments in *Lit Gaz*: "It is important that non-governing organizations effectively relate to the tasks facing governments. My experience has shown me that many high-ranking politicians—and I've met with many Presidents and prime ministers—realistically understand today's difficulties and are ready for changes. . . . [Our] ideas have already taken root in the world. . . . The tasks of our group is that . . . with your help [speaking to Gorbachov] and the help of your colleagues, as the vanguard . . . we can achieve a similar assimilation of ideas in the thinking of the public at large."

Cuba's Otero: "We place great hopes in Mikhail Gorbachov's good will. And as intellectuals we must lend a helping hand. By exercising our influence we must work on human hearts and minds. . . . There is no doubt that our movement born on the shores of [Lake] Issyk Kul, will gather momentum. Such prominent personalities in world culture as [Greek Communist poet] Iannis Ritsos, [Italian cinematographer] Federico Fellini, and [Swiss writer] Friedrich Duerrenmatt have already said they are willing to join."

During his three-hour meeting with the group, the Soviet leader declared: "We have reached that critical moment in history where it is clear that the fatal danger [of war] can be removed only by joint efforts."

The Issyk Kul group thereupon resolved upon its first act: writing a letter to President Reagan urging him to abandon the Strategic Defense Initiative.

# For China, new milestones toward diplomatic goals

by Linda de Hoyos

For the People's Republic of China, the month of October was unprecedented in the number of milestones marked in the achievement of Beijing's diplomatic goals.

On Oct. 6-10, the P.R.C. hosted U.S. Defense Secretary Caspar Weinberger, with Weinberger winning agreement for a port-of-call by the U.S. Navy to Chinese ports, and with the Chinese, in turn, making some headway in the acquisition of U.S. dual-use high technology.

On Oct. 12, a multitudinous welcoming party was brought out onto the streets of Beijing in honor of the arrival of the United Kingdom's Queen Elizabeth II and her consort Prince Philip. The queen's presence in China was but the highly publicized side of a 100-man-plus British business delegation, bringing investment to China.

And on Oct. 18, Beijing welcomed German Democratic Republic President and party leader Erich Honecker to China. As a result of this visit, Honecker and China's Deng Xiao Ping publicly acknowledged full relations between the East German and Chinese Communist Parties, a necessary steppingstone to full Sino-Soviet ties.

There is no contradiction for Beijing among the great fanfare greeting each of these three visits. The Chinese objective behind this equilateral diplomacy is the securing of the best possible position within the two-and-a-half imperial division of the world contemplated by Moscow, its oligarchical partners in the West, and the leaders of China.

Although China, by virtue of its massive economic poverty, cannot present itself as a military superpower, its position "in-between" Moscow and Washington has enabled the Chinese leadership to maneuver to gain maximum benefit from both. China is further looking for allies to bring into its "third corner." As Deng Xiao Ping said in an interview published in the Hong Kong *Wen Wei Po* Nov. 2: "China regards herself as a force for maintaining world peace. . . . A gratifying fact is that the peace force is also growing in the world. Europe (including Eastern Europe) does not want to see any war. . . . Australia and Japan also do not want to fight any war. . . . We share many common points with Europe, and the most prominent common point is that both sides desire peace and are peace forces for checking the outbreak of war. This is the foundation for China and Europe to develop their political and economic relations. When men-

tioning Europe, we merely referred to Western Europe in the past, but now we also refer to Eastern Europe."

In the case of the United States, Defense Secretary Weinberger's trip appeared to put the Sino-U.S. military relationship back on line. The approval of a U.S. naval port-of-call in China—for the first time since 1949—was a recoup after the Chinese had scuttled similar plans in 1985, using the issue of nuclear-weapons-carrying ships as their excuse. The two countries further agreed upon sending a contingent of young Chinese soldiers to the U.S. Army Academy at West Point. On the high-technology front, the Weinberger arranged for the sale of \$500 million worth of F-8 avionics to the P.R.C.

Weinberger also appeared to pull off some diplomatic points for Washington vis-à-vis the U.S.S.R., whose leader Mikhail Gorbachov was sitting across the table from President Reagan at Reykjavik while Weinberger was in Beijing. With information passed to the United States from Pakistan, Weinberger appeared to convince Deng Xiao Ping that the much-publicized Soviet withdrawal of six regiments from Afghanistan—promised as a peace offering to Beijing by Gorbachov in his July 28 Vladivostok speech—was a hoax. In addition, even while Weinberger was still in Beijing, the Chinese foreign ministry issued a call for the removal of all Soviet intermediate missiles from the Asian theater, underlining the U.S. position at Reykjavik against Soviet transfer of European-based missiles to the Pacific.

## The wind blows toward Moscow

Any hopes in Washington that the United States can revive its "China card," however, has to be chalked up to the same mania that is leading Washington to befriend Iran's mullahs. If China looks to the West and Japan for the technologies it requires to become a superpower in its own right, within the Asian geopolitical orbit, it is with Moscow that Beijing must deal. This has been the inevitable result of Kissinger's "breakthrough" China Card. Under that policy, the United States scorned its own allies on behalf of its "alliance" with China. With the position of the United States thereby nullified by the policy of the Nixon, Ford, and Carter administrations, even China must turn to the emerging dominant power in the region: the U.S.S.R.

For both China and the Soviet Union, the visit Oct. 18 of

East German President Erich Honecker was a major step forward in their rapprochement. It was first through East Germany that relations between the North Korean regime of Kim Il-Sung and the Soviets were transformed into a full military partnership over the last year.

Honecker is the latest and most important of a parade of Eastern European leaders to arrive in China since early September. The first was Polish leader Gen. Wojciech Jaruzelski. In the meantime, delegations have arrived in Beijing from Hungary, Czechoslovakia, and Bulgaria. Just before Honecker's visit, Chinese leaders met with Andrei Jukanov, first vice-chairman of the Council of Ministers of Bulgaria, a visit that resulted in the signing of protocols for trade and cultural-educational exchange. The Chinese view Bulgaria as especially crucial, given its close links to Moscow.

Chinese Premier Zhao Ziyang will travel to Poland, Czechoslovakia, Hungary, and East Germany next summer.

China already signed a 10-year protocol with East Germany for scientific cooperation and aid for Chinese industry last May in Berlin. The diplomatic pioneer for this and other Chinese forays into Eastern Europe is Vice Premier Li Peng, the adopted son of the late Chou En lai and a protégé of pro-Soviet economist Chen Yun. Trained as an engineer in Moscow, Li Peng has many ties into the Soviet bloc, and is believed to be the strongest contender as the successor to the aging Deng.

### **Tough bargaining**

Since Gorbachov's Vladivostok speech, the Soviets have been on a full drive to fully reopen relations with China. "Sino-Soviet cooperation has been an urgent matter," declared the Soviet party daily *Pravda* on Oct. 1, reiterating the Soviet view that China will emerge "as the center of power" in all the Pacific.

In Beijing at the same time as Weinberger was Soviet Vice Foreign Minister Ivan Rogachov, who carried out border talks with his counterpart Qian Qili. The talks, the joint communiqué reported, took place in a "frank and earnest atmosphere" and will be continued in April of next year.

Other agreements have been worked out. On Oct. 17 in Moscow, Beijing and Moscow agreed to cooperate in development of Chinese agriculture, railways, and fisheries. This was the result of the first session of a Sino-Soviet committee on economic and technological cooperation. A week later, another agreement was signed in Moscow to establish a joint committee to oversee the development of the Ergun and Heilong rivers, which form a long stretch of the Sino-Soviet border. The agreement calls for joint work on power generation, flood prevention, navigation, and water utilization.

Although China is eager for Soviet technical cooperation on the border and also aid in rehabilitating many of the industrial plants Moscow left behind in 1959, Beijing continues to harp that full normalization of relations cannot take place until the U.S.S.R. removes the "three obstacles": Soviet

troops and missiles on the Sino-Soviet border, Soviet troops in Afghanistan, and Vietnamese troops in Kampuchea. But these "three obstacles" function toward Moscow as the "one obstacle" of Taiwan does toward the United States—as a useful bargaining chip.

Under the proper conditions, Sino-Soviet relations could blossom at any time. During his meeting with Honecker, Deng reminded the East German of Deng's days in Berlin in 1925 (under Comintern auspices). With relations between parties considered the barometer for relations, Deng further announced that a resumption of East German-Chinese parties ties is not necessary, because "the two parties have never broken off their relations."

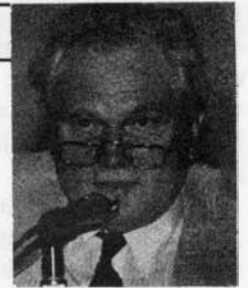
This interesting formulation coheres with the fact that ties between the Chinese and Soviet-allied intelligence services were retained throughout the period of the Sino-Soviet split—running through the Trust circles of the Institute for Pacific Relations in Canada, London, and the United States.

A central focus for both Beijing and Moscow now is their joint condominium over the countries of Asia. The diplomatic maneuvering around Indochina is exemplary of the Sino-Soviet squeeze play. The Chinese asked North Korea's Kim Il-Sung, in Moscow for the second time in two years during the first week of October, to place pressure on Moscow to force the withdrawal of Vietnamese troops from Kampuchea. The Chinese indicated they might be willing to make some quid pro quo. According to Japanese television reports, Chinese Foreign Minister Wu Xueqian informed his Indonesian counterpart in New York in late September that China would not insist on the participation of the Chinese-backed Khmer Rouge in any peace talks on the Indochina conflict.

The Chinese also let it be known that a Deng-Gorbachov summit would be possible, if the Soviets pressure Vietnam to withdraw. But Moscow turned down the offer, with Soviet Vice Foreign Minister Rogachov telling the Chinese that Beijing should hold direct talks with Hanoi instead. The Vietnamese, after a tense meeting in Moscow between Gorbachov and new Vietnamese secretary general Troung Chinh, declared their willingness to talk. In Hanoi Oct. 19, Troung Chinh told Vietnamese military officers that Vietnam is ready to hold talks with China "no matter where, no matter when, and at any level." Soviet pressure for this Vietnamese stance may well have included a withdrawal of Soviet aid, as indicated by statements from Troung Chinh, later denied by Vietnam, that Soviet aid was in danger of being diminished.

But the Vietnam offer was declined by China. Said a Chinese Foreign Ministry spokesman: "As long as Vietnam refuses to give up occupation of Cambodia and withdraw all its troops from that country, there is no point in talking with it."

Meanwhile, the Vietnamese and the Chinese through their press and statements from their leaders have made known that agricultural and industrial production in both countries is verging on collapse.



## The 'generation of '68 and the destruction of justice in Sweden

"The nation should with law be built,  
and not with lawlessness destroyed."

—The first written law in Scandinavia, A.D. 1248

*The following article, based on an interview with noted Swedish civil liberties attorney Lennart Hane, was written by our Stockholm Bureau's Michael Ericson on Nov. 3. Hane has argued cases before the European Court of Justice in Strasbourg, as well as in Sweden, on violations of basic legal safeguards for the citizen. He has spoken and written internationally on the dangers of application of Soviet legal methods to Western legal practice. He is a member of the newly formed International Commission to investigate Soviet-style human rights violations in the United States, which is assembling international jurists to review the recent attacks on Lyndon LaRouche and associates. This interview is the second in a series of interviews with the Commission members.*

"It is the law, and not the ones who practice the law—whether a law enforcement official or a bureaucrat—who should hold power. Otherwise, first, it will be the citizens who gain power through their state, and not the state that holds power for its citizens. This is how I regard the characteristic feature of a non-totalitarian society, that it is the law and not the man who rules. The fight for the 'rule of law' has up until today been a crucial part of the fight for the Western concept of freedom. I therefore reacted very strongly when I received the news about the raid in Leesburg against Mr. LaRouche, whom I personally know to be a brave defender of that concept.

"There is as well a more fundamental question of policy today involved in this, and that is something that worries me considerably. As a lawyer working in Sweden, I have witnessed how the 'rule of the law' during the 1970s has been neutralized, and replaced by strong totalitarian tendencies. By the middle of the 1970s, I could recognize a pattern in this transition toward a totalitarian rule of justice modeled on the Soviet Union. I have become fully convinced that this is a result not of ignorance, but of a very conscious effort from a rather well defined new strata of our society.

"The subversion of the system of justice is an extremely powerful tool of the Soviets to break the will of resistance of the population in a targeted nation. I know that public opinion has so far paid very little attention to this, and I have myself been living in the illusion that Sweden was a warning example, by exception in this respect, to the rest of the Free World. If it is instead an advanced stage of a more general tendency in the West, which the news from the United States could indicate, then we are in great, great trouble."

An interview with Lennart Hane, a well-known lawyer here in Sweden, is a rather shocking experience. He has numerous examples from Swedish legal practice over the last years where "the sword of the law" has struck the innocent in the most horrendous way. Examples come from all fields of the justice system: taxation, property claims, official matters, or family policies. Most striking, however, is Hane's argumentation that all these cases are not the result of simple-minded and ignorant "servants of the law," but of a systematic effort to transform Swedish society.

Hane has chosen to concentrate his own efforts in putting the limelight on what has been called the "Children's Gulag" in Sweden. The new practice of Swedish state authorities in an alarming number of cases has become to forcibly take children from their parents, to put them in "social care." The juridical basis for these often brutal police interventions, is later revealed to have been some social-worker's highly arbitrary considerations. There are examples of rulings where the civil servant in question had reported an "impression of untidiness in the home of the family" or that the parents "believed in strange ideas" to justify such state interventions.

Hane explains that he has chosen to work in this particular field because it is the one where ordinary citizens most easily can grasp the violations against the most fundamental principles of justice now being conducted by the Swedish state bureaucracy. Hane's strategy was to some extent proven correct a few weeks ago, when the Swedish state was forced to "kiss the staff" and pay a considerable amount in damages to two parents, whose cases the European Commission of Human Rights had admitted to take to the European Court in Strasbourg, accusing the Swedish government of violations of human rights. These are the first cases where the Swedish

state has admitted that something wrong had been done, but Hane, who himself was in charge of one of the cases, warns emphatically that there was no point of principle involved in the settlement. Therefore, he is convinced that there have to be many more such rulings against the Swedish state before policy is changed.

"To understand what has been going on in the Swedish juridical system during the decade of 1970s, you have to understand the significance of the 'General Clause,' first introduced in a Swedish taxation law from 1969, the Swedish advocate explains. "Swedish law is traditionally not based on 'common law' principle or on practice, where fundamental aspects of law-making is condensed in a set of principles, but is based on 'written rules of law.' There is also no constitution, in the American sense, to fall back on. So the written rule of law has to be very precise. A 'General Clause' is formally a written rule of law, but formulated so generally and vaguely, that it sets no limits whatsoever for the individual in a position of power to decide over the civil or other rights of the citizens, or over conflicts among them. There are instead rubber-formulations of the kind: 'in certain circumstances,' 'if needed,' 'in case of a need to,' or simply 'you may decide,' as the legal base for an executive order. These are concepts which, of course, can be stretched in any direction and without limitation, in almost all fields of civil rights.

"I know that it is a bit hard for the non-professional to immediately grasp the significance of this," Hane stressed, "but I will try to explain a couple of important points." Hane is now moving into the area of how this new "General Clause" method of lawmaking is attacking the most fundamental principles of a fair and unbiased justice. First, he points out that this General Clause is not something new in lawmaking. He cites a German professor, Justus Wilhelm Hedenmann, who in his book, *The General Clause: a Danger for Justice and State*, written at the beginning of the 1930s, warns that the General Clause then being introduced into German law was a "young cuckoo in the liberal state of law." In that book, Hedenmann, according to Hane, shows how the Nazi leadership took their General Clause straight out of the Soviet model of justice, where all authority, by law, is given to the person in power and no authority or civil right to the citizen. The Nazi legislation subsequently developed into a formal orgy of General Clauses.

"The system with a General Clause also makes the judge into a very dangerous individual. You know a judge ought to have something of the 'soul of a bookkeeper,'" Hane remarks. "He has to love his paragraphs and written rules of laws. They should for him be a condensed formulation of the principles of just order and moral life. But when he is confronted with a situation where he can't give his trust to the written rule of law, he will feel himself thrown into a quagmire, and so he will throw his trust to someone else—the man in power."

Lennart Hane's low-keyed remark makes you suddenly feel cold shivers running down your spine. Is this the explanation why no revolt occurred in the German system of justice when Hitler turned it into its opposite, an obedient tool of brutal dictatorship? As he describes what has gone on in Sweden in this respect, you start to understand why he talks about a conscious effort to build up a corrupt, but "legal" system.

### How it all started

"No one understood at the time what the horrendous implications were of the new legal policy the first Palme government introduced in the beginning of 1970s. It was formulated by Palme's personal friend, later also his minister without portfolio, Carl Lidbom, in a very well-known formulation that read: 'We socialists can never reach our goal if we don't thoroughly rid ourselves of the old conception of law, which pretends to express some kind of unchangeable justice. The law is a working tool which we will use to achieve our political goals.'"

Hane continues, "The socialists under Palme, though, knew what they wanted. They started to write new laws at an incredible rate. Over 1,000 new laws a year were passed from 1969 onward. No citizen could keep track of all the new laws, and of course, the sense of being a moral person obedient to the law deteriorated. If you had no chance to know the law, how could you then live according to it? But worse than that was that on the same lines as for the General Clause, there was no longer the "written law" that was the ultimate basis for a just ruling. Instead, in court cases, you started to argue from the "intentions" of the lawmaker, as it was expressed in the preparations for the parliament, when they took the decision to implement the new law. Therefore, today, in Swedish court proceedings, you argue not from the word of the law, but from the documents coming out of the three stages in making a new law.

"These three are: a) the expert investigation done by the respective departments of government; b) the proposition made by the minister in question to the parliament, when the law was passed; c) the different considerations of the institutions to which the law has been submitted for consideration. This has, in its turn, led to a situation where the actual law has lost its exclusive value to the whole apparatus of law-making. In Sweden, we today have several armies of experts, officials, and institutions in the system, which in itself has become like an iceberg, where the legislative bodies of the government and parliament are only the tip of that same iceberg. The question is, who is in charge? I have started to talk about a legal mafia, which actually to a large extent has the government and parliament in their control. It is a self-feeding process."

In the discussion about the structure of this mafia, Hane points out that it mainly consists of a new strata of society in the armies of sociologists, teachers, and "culture geogra-

phers,” a kind of people you never heard about 20 years ago. It is to a large extent the “generation of 1968,” and its “march into the institutions.” They have introduced a totally unscientific and loose language, which in the new system, rules the lawmaking process. This loose language actually today dominates both lawmaking and the execution of the law in the Swedish court system, according to Hane.

“Talk about corruption!” Hane emphasizes: “They have developed a very sophisticated system, where the press and media play a crucial role, which works in five stages. First, they have to find a ‘need’ for a new law. I have found out that they often let an ‘expert’ discover a local problem and publish that in the local newspaper. Now it becomes a news item and the national radio and TV can jump on it. The ‘need’ is discovered, and the rest will march on by itself. The media debate, the expert investigation ensues, then the writing of the law proposal. It is submitted to institutions to get their consideration; then comes the preparation of the law in the department in question, etc.

“These same experts later will be called in by the courts, as ‘experts,’ when the new law is going to be ruled on in the courts. We had a very good example of this recently. A couple of years ago they passed a new law for ‘environmental crimes,’ which actually turned out to be so flimsily written that they haven’t been able to even turn up anyone accused of breaking the rules of the new law. What did they do then? Did they take it out of the law-book? Of course not. Instead, they have started to discuss transforming it from a law that is part of the penal code, into a system of charges and fees decided by an official, not a ruling of a court—fees much greater than the earlier stipulated fines.

“This pattern of a total shift of power to the unchecked bureaucracy makes the citizen completely defenseless. In reality, it is actually worse than that. The Swedish legal system is rapidly being transformed into a system for terrorizing, haunting, controlling, and punishing the normal citizens of the country. Of course, this is used politically against any ‘dissident’ against the system. There are innumerable such cases documented. But it also can, and does, strike arbitrarily against any moral and steadfast person.

### **A case study: the family**

One of the most revealing things about this whole process, Lennart Hane underlines, is the ideological and political thrust in it. He uses the example of the change in lawmaking on the family during this period. He points out that Lenin, back in 1918, introduced a system of “postcard divorces” to facilitate his social revolution, in full knowledge that the family as an institution is a stabilizing factor for society. When Stalin later wanted to consolidate Russian society, he reintroduced the family as a highly regarded institution. “You can see the same pattern in the Swedish experience during the last decade as under Lenin, rarely, of course, with open references directly to the early period of the Soviet Union.

During the 1970s, it became much easier to get a divorce in Sweden. The traditional prerequisite of infidelity, living apart for over three years, and a forced mediation of a priest or specially assigned person, was all taken away. Actually, if there are no children under 16 years of age in the family, you can get a divorce in Sweden today by mailing in a registration form to the authorities.

But this has been introduced hand-in-hand with the state actually demanding a greater say in family life by claiming to “uphold the interests of the children” in a divorce. The transformation has undergone several phases over the years. But it boils down to a situation, where, today, the law states that “joint custody” should be preferred and that the social authorities should have a “say” in all decisions concerning the future of care for a child in a divorce case. Previously, of course, if the two parties were in agreement as to how the divorce should be carried out, that agreement was their business. Of course, there was the juridical possibility of a court case to solve any unsettled problems, if an agreement couldn’t be achieved. Now the social authorities can enter into every divorce case involving children. The parents’ right to the upbringing of their children, codified in many international conventions on human rights, is destroyed in Sweden; it is a blatant breach of the fundamental principles of a civilized state. This is perhaps where it is most easy for the layman to see that the transformation of the whole codex of law in Sweden is modeled on the system of law in the Soviet Union, and its copies in the Eastern bloc countries.

“The first time I discovered the crucial role of the media in all this is actually telling here. It was back in the early 1970s, when the attack on the family was opened. I was invited to a radio debate on the question of the ‘family versus living together in freedom.’ I was directly told to attack the ‘heavy religious traditions’ and the ‘plights of marriage.’ I told them that I didn’t plan to do that, but rather to stress the advantage of having a functional legal package set for you if things came to a divorce. At that point they kicked me out of the debate and found another ‘pro-’ who was ready to play the ‘useful idiot’ and keep to their rules.

“I don’t try to say that everyone involved in this transition is a Soviet agent of influence. My own personal experience tells me, rather, that it needs only a very few controllers to steer such a transformation, if there is no public debate on the principles of a just law to counter the proposed “reforms.” I myself often get the image of the computers working with fluids, instead of electrons, where very tiny streams of gas or fluid managed to steer very powerful streams. That’s how I see the “generation of 1968” deployed to take over the institutions of our society. I hope by my work on the Human Rights Commission investigating abuses of the rights of Mr. LaRouche and his associates, to be able to contribute, with my experience from Sweden, to ensure that the United States and Western Europe will not lack such an informed people as we did here in Sweden, when the attack rolled in over us.”

## Like talking to a wall

*Experienced Swedish diplomats do their best to uphold normal relations with the Kremlin, but it isn't easy.*

The discovery of at least 30, and possibly 100 microphones built into the walls of the Swedish embassy in Moscow has refocused the debate on Swedish-Soviet relations. Not that wiretapping or related surveillance of embassies *per se* would be very surprising, particularly not in Moscow, but the extent and nature of this surveillance, coupled with the arrogant Soviet response to Swedish protests, have raised the blood pressure of more than one official in the Swedish foreign ministry.

During extensive rebuilding of part of Sweden's Moscow embassy by Swedish construction workers in mid-October, the first microphones were discovered. Specialists called upon from the Swedish Security Police quickly discovered scores more, reportedly made of a plastic material defying conventional detection equipment, located throughout the large embassy compound.

The location of the microphones inside the embassy walls showed that they must have been placed there during the embassy's initial construction in 1968-72—carried out by Russian workers. For 14 years, the Russians had overheard daily conversations, responses to Soviet moves, gossip, and unguarded words among embassy staff, under five successive Swedish ambassadors.

On Oct. 31, the Swedish government officially protested the Soviet surveillance of the embassy. In a low-profile mode, Soviet Ambassador Boris Pankin was summoned to a meeting with Foreign Ministry Undersecretary Pierre Schori. Pankin was

handed a note stating that the microphones could not have been placed in the embassy without the knowledge of the Soviet government, in violation of the 1961 Vienna Convention regarding the integrity of foreign embassies.

The protest note, which was not made public, was characterized by Swedish officials as "serious" but "not sharp." It did not demand any explanation, much less any excuse from the Soviet side, but rather stressed that the Swedish government continues to seek "good and stable relations" with the Soviet Union. Foreign ministry comments made clear that the Swedish-Soviet negotiations expected to commence in December concerning the fishery and economic exploitation borders in the Baltic Sea were not going to be postponed, nor affected in any way.

"We have now handed over our protest and no further measures are considered," Foreign Ministry Press Chief Bo Heinebäck told Swedish media on Nov. 1.

But the Russians wouldn't be what they are, were that the end of the story. On Nov. 6, Ambassador Pankin personally returned to the Swedish foreign ministry, with a Soviet reply to the Swedish protest. This could only make matters worse—and it did.

Moscow's reply shamelessly claimed that the Soviets didn't know anything about the microphones, and that "somebody else" must have put them in the walls of the Swedish embassy! Denying the Russian nationality of dozens of intruding submarines is one thing, but this was a bit too thick even for the Swedish government.

In a national TV interview on Nov. 8, Foreign Minister Sten Andersson said that the Swedish government had not asked for a Soviet explanation, as it was only too obvious what had happened, and that the explanation now given was totally unacceptable.

"It is altogether out of the question that somebody could make such installations in the Swedish embassy, without our knowledge or that of the Soviet authorities. We see the explanation as a flight from all clear and cold facts," Andersson asserted. The same message had been given personally to Ambassador Pankin, who again had been summoned to Undersecretary Schori on Nov. 7, where the Swedish protest was repeated.

That same day, the Soviets were named in the Swedish parliament as possible perpetrators of the assassination of Olof Palme. Communist parliamentarian Jörn Svensson had introduced an official question regarding the political background to the Palme murder, implying that Western interests wanted Palme killed. Conservative parliamentarian Nic Grönwall denounced Svensson for mouthing unfounded speculation, saying it was just as likely the Soviets were behind the murder, maybe because they wanted to protect an agent in place in Sweden.

"Prime Minister Olof Palme might have received information that there was a Swedish Treholt," Grönwall charged, in reference to the Norwegian foreign ministry official who was caught working for the KGB. "Assume, and we don't know with certainty, that he received such information. Olof Palme would then be a danger. Suppose that Olof Palme in his contacts with the Soviets had received information that the superpower was afraid would be spread. This could be a motive for a political murder."



### Good news on French military budget

*No crucial area has been left out in this military equipment budget for the 1987-91 period.*

On Nov. 5, the President and the cabinet of France adopted the best military equipment budget since the Gaullist era. No crucial area has been left out in this budget for 1987-91, enhancing France's overall military power and ability to respond to every possible level of attack. The budget is designed to: 1) considerably improve France's nuclear might through ongoing modernization of the nuclear submarine component, and adding a mobile land-based missile force, along with improved tactical nuclear defenses; 2) enhance France's ability to act independently both strategically and in Third World theaters by providing adequate satellite equipment for military observation and communication and low-altitude radar systems; 3) improve overall deterrence by developing a chemical warfare capability.

The budget's adoption is all the more crucial, as was emphasized by the vice-president of the parliamentary commission on defense, RPR (Gaullist) deputy Jacques Baumel, in an op-ed in *Le Figaro* on Nov. 6, since it comes in the wake of the Reykjavik summit. Even though President Reagan's stance on SDI at the summit was absolutely key to the survival of the West, no serious European military strategist could endorse the "zero option" apparently agreed on at one point at Reykjavik.

The "zero-option" would involve U.S. and Soviet withdrawal of all their middle-range nuclear missiles and leave Europe in a situation of massive Russian superiority in the convention-

al, chemical, and short-range nuclear weapons fields. The "zero-option," also rejected by Caspar Weinberger and NATO commander Gen. Bernard Rogers, is thus totally unacceptable for Europe.

In this light, the continuing modernization of France's military power is very important. If present trends continue and if France conducts a crash effort in the development of strategic and tactical beam defenses, by the end of the century, France, together with Britain, will wield a considerable threat to the Soviet Union, thus contributing to improving the overall capacities of the Western alliance.

The overall budget allocated to military equipment for 1987-91 is 474 billion francs, an increase in constant-francs credits of 11% during the first year, and 6% for each year thereafter. Within this budget, the priority goes to modernizing the nuclear submarine forces aimed at increasing France's nuclear capacity to over 600 nuclear war-heads in the coming years.

Very important as well, is the decision to include in this budget the second component of the nuclear deterrence capacity, the building of a mobile land-based ICBM, the S-4, which will replace the 18 obsolete stationary missiles of the Plateau of Albion. The new missile will be stationed at Albion during peacetime, but will become mobile during any crisis. The nuclear deterrent is completed by the decision to pursue the construction of the Hades, the only short-range tactical nuclear missile France has which can

fly over Germany into the East bloc (350 km range) and which will replace the 120 km range Plutons. The Hades can be equipped with neutron bombs.

Last, but equally important, France announced for the first time its decision to "have available an appropriate deterrent capability" of chemical weapons. "France cannot renounce definitively categories of arms that other nations feel they have the right to deploy, and cannot accept seeing its defense forces paralyzed by an aggressor, were he to take the initiative to use chemical weapons."

The military budget aims at giving France, and Europe as a whole, an independent observation and communications capacity. Without military observation satellites, without AWACS-type radar systems, France could not have, according to the best military sources, even conceived of an independent military attack on Syria in response to the Syrian-backed terrorism of last September. Adequate funding was restored for the Helios military observation satellite which had been decided under former Defense Minister Charles Hernu. Equally important to pull France's military out of its blindness is the decision to purchase several AWACS-type systems.

A nuclear-powered aircraft carrier will be built, a new Dassault airplane, the Rafale, will be replacing the Jaguar class and other planes, and an improved tank, the Leclerc, will replace the old AMX 30.

What about beam weapons? France is a country of secrets, and nothing is stated concerning the areas of allocation of research funds. Research credits have gone up considerably, and it is generally expected that significant funds have been allocated to the general categories of beam-weapons defenses.

## Opening the Soviet market

*With U.S. protectionist measures being put into place, the Kremlin is rushing to fill the trade void.*

In the period following Soviet Party chief Mikhail Gorbachov's Vladivostok initiative last July, the Soviets have stepped up their "good will" offensive in Thailand. Last year the Soviets purchased 193,883 tons of A-1 special grade broken rice as food aid to Vietnam. As the United States Congress is "turning allies into enemies" by drafting protectionist legislation and the four-year farm bill, the Soviets are wasting no time in filling the void, and have chosen to target Thailand relentlessly.

The name of the game is "win new friends through trade relations." From mid-October to early November, the Soviets organized their biggest trade exhibition ever in Thailand. Well over 500,000 people—mainly Thais—visited the trade fair and the Soviets are claiming a great success. It was not staged as a typical dry, run-of-the-mill trade fair, but featured such things as a special booth on Buddhism in the Soviet Union, a propaganda tactic which worked to a certain degree.

The unprecedented Soviet trade fair yielded very concrete results. Two major deals were struck: \$3 million worth of Soviet textile machinery will go to Thailand. Included is a clause covering spare parts to be supplied through Singapore and \$2 million worth of Soviet newsprint paper—5,000 tons in volume—was sold to the Thai Rath Co., which publishes *Thai Rath*, the largest-circulation daily. The paper-print deal was signed on the opening day of the trade fair.

An agreement on cooperation between the Soviet Chamber of Commerce and Industry and the Board of Trade Delegations and Exhibitions in both countries was also signed. So far, in the first nine months of this year, the Soviet Union has imported \$105 million worth of Thai goods, while Thailand has bought \$10 million worth of Soviet exports. Reportedly, the Soviets are ready to export paper, wood pulp, crude oil, aluminum, coal, and machinery to Thailand in exchange for imports of Thai agricultural produce.

There are ongoing negotiations between the Soviet commercial councillor and the Thai Cane and Sugar Corp. in an effort to export 22,000 tons of Thai sugar to the Soviet Union at a "friendship" price, although the initial offer would be slightly above world price, or about \$.06 per pound. The Thai Cane and Sugar Corp. is trying to win a long-term sale contract for the delivery of about 200,000 tons with possible counter-trade in Soviet fertilizer to be considered. In the event that the United States might soon clamp down on import quotas of sugar, Thai sugar producers are frantically looking for a way out, and to them, the new Soviet market may be a panacea.

Following the Soviet trade, Aeroflot General Manager Vitaly Pavliluk announced a meeting between Thai and Soviet aviation authorities to draw up guidelines for air talks in Moscow. By this December, Aeroflot plans to step-up its Bangkok-Moscow opera-

tions, a plan which will include an increased number of flights, introduction of a freight service, and the use of larger aircraft. The Aeroflot manager also announced that he would like to see Thai International Airlines land in the Soviet Union to help foster a closer relationship between the two countries. In line with its policy, Aeroflot has, over the past month, bought a quasi-permanent advertising spot on Thai TV Channel 3, promoting tourist visits to "Moscow, the oldest capital" in the world, and depicting domes of Byzantine architecture and the Bolshoi Ballet as attractions.

Boxed in by a contracting international export market for Thai products, foreign policy has taken a turn for more open trade relations with countries within the Soviet sphere of influence. On a recent visit to Iran, Commerce Minister Surat Osathanugrah signed an agreement to buy up to 10,000 barrels of Iranian oil per day in exchange for 400,000 tons of Thai rice. Iran is also expected to export cotton, vegetables, and nuts to Thailand. In addition, 24,000 tons of rice negotiated for the last two months of the year will be exported to Syria. Certain sources claim that the negotiated prices were unusually low and have contributed to destabilizing the price of rice domestically. Syria has already bought 39,000 tons of rice from Thailand this year.

On the diplomatic and foreign trade front, the situation may look quite rosy between Thailand and the Soviet Union. However, nationalist conservatives within the Thai government apparatus have not let things lie. According to well-informed sources, two Soviet operatives under a business cover were found to be engaged in suspicious activities and were asked to leave Thailand early this November.

## Tamil militants restrained in India

*India puts pressure on Sri Lankan Tamils based in Tamil Nadu, as Rajiv Gandhi prepares to meet the Sri Lankan President.*

In a pre-dawn sweep against Tamil militants on Nov. 8 in Madras city and 10 other districts in the southern state of Tamil Nadu, local police seized a cache of weapons that included AK-47 rifles, surface-to-air missiles, rocket launchers, and two-inch mortars. Militant leaders belonging to various factions were brought to the police station, questioned, photographed, and put under house arrest.

The unexpected raid, named Operation Tiger, was organized with professional efficiency and air-tight security. The Tamil Nadu police were clearly fully supported by both state and central authorities. The raid has been welcomed by the Sri Lankan government, who had been urging the Indian government for some time to curb the militants.

Although the militant leaders expressed dismay at the police action, there was general apprehension that such an action would be forthcoming. Since 1982, a series of violent incidents involving the exiled Tamils have rocked the political climate of Tamil Nadu.

On May 19, 1982, the Liberation Tigers of Tamil Eelam (LTTE) and the People's Liberation Organization for Tamil Eelam (PLOTE)—a Marxist faction—fought a gun battle on the streets of Madras. On Aug. 2, 1984, a group of suspected Tamil militants blew up the international terminal of the Meenambakkam Airport in Madras, killing 31 people. Local residents staged a protest strike against the in-

cident in a small coastal town of Tamil Nadu.

But the latest incident, on Oct. 30 of this year, left police with little choice. Members of the Eelam People's Revolutionary Liberation Front (EPRLF) fired more than 60 rounds from automatic weapons at a crowd, following a street brawl in Madras. A 24-year-old bystander was killed in the incident, and a few others were injured before the situation was brought under control by local police. Later police arrested 10 EPRLF members and seized 6 automatic carbines, 6 machine guns, 1 pistol, 2 grenades, and 350 rounds of ammunition.

Such desperate activity by the Tamil militants has alienated local residents of the same ethnic stock. It is also an indication that the factionalized secessionist movement is now facing a growing crisis. Following the latest round of talks to settle the ethnic conflict between the Tamil moderates—the militants refused to participate—and President Jayawardene of Sri Lanka, the latter has come up with a proposal to form provincial councils which will allow the Tamils to determine the political process in Tamil-dominated areas of the country.

Although all the militant groups have formally rejected the President's proposal, LTTE, the largest faction within the militants, has couched their rejection in a carefully worded statement. In a written response to the Sri Lankan government, LTTE said: "We therefore insist that, for any meaning-

ful political settlement, the acceptance by the Sri Lankan government of an indivisible, single region as the homeland of the Tamils is basic." Experts point out that the LTTE has dropped the idiom of a separate state. It is, however, clear that the gap between Sri Lanka's offer and the minimum Tamil demand still remains formidable.

As of now, LTTE wields the maximum gun-power and has the largest following among the Tamil groups. It also controls a large tract of Tamil-dominated land in northern Sri Lanka. More importantly, Balasingham, one of the LTTE leaders, is reported to have developed a close relation with the Tamil Nadu chief minister M. G. Ramachandran. Ramachandran is a powerful political figure in Tamil Nadu and is key in India's effort to help facilitate a political solution to the Sri Lankan crisis.

Beginning Nov. 16, the South Asia Association for Regional Cooperation is meeting for two days in the southern Indian city of Bangalore, where heads of state of seven south Asian nations—India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan, and Maldives—will be discussing matters concerning the region. On the agenda is a meeting between Prime Minister Rajiv Gandhi and President Jayawardene to exchange ideas on how to proceed on the ethnic crisis in Sri Lanka.

Meanwhile in Sri Lanka itself, the war of attrition continues. President Jayawardene has warned the militants that if they reject his proposal out of hand, he will use "all necessary means" to maintain law and order. There is no doubt that Jayawardene holds out an iron fist in a velvet glove.

The Indian police action to curb the militants will bear fruit provided that Sri Lanka can come up with a solution that is acceptable to the Tamils and decides to talk to the LTTE.

## 'Aztec' presidential candidate touted

*The frontrunner of the ex-bankers and Wall Street seems to be Secretary of (Ill) Health, Guillermo Soberón.*

On Oct. 22, Alan Riding, *New York Times* correspondent in Ibero-America, launched for the first time in the U.S. press the pre-candidacy of Secretary of Health Guillermo Soberón, for President of Mexico in 1988. Although Riding mentions Dr. Soberón only after three other strong, but controversial, pre-candidates, it is known that if the first three are eliminated, this will favor the nomination of the Health Secretary.

Soberón could be named as the presidential candidate of the ruling party, the Revolutionary Institutional Party (PRI), not only because he fits the rules of the Mexican political game, according to which the PRI's candidate is chosen from among members of the current cabinet, but also because Guillermo Soberón offers guarantees that the genocidal austerity programs dictated by international financiers will be fulfilled.

In fact, four days after the Riding article, on Oct. 26, the most prominent spokesman of Mexico's "ex-bankers," Luis E. Mercado, revealed in his syndicated financial column that, in fact, Dr. Soberón is the favorite of the Mexican oligarchs belonging to the big industrialists' association known as Coparmex. (The ex-bankers owned the banks nationalized in 1982 by then President López Portillo when he discovered that they were massively looting the economy through flight capital and other tricks.) According to Mercado, Soberón suits the ideals of this anti-nationalist branch of Mexico's private sector, to wit: "partisan of re-

alistic economics [monetarist—ed.], capable of deciding with speed and efficiency, as non-state-oriented as possible."

Dr. Soberón, who has the face of a bulldog, is nonetheless attractive to Mexico's ex-bankers and the Trilateral Commission, for something more than the traits singled out by Mercado.

Guillermo Soberón is the most prominent member of the Tepoztlán Center, A.C., a group to which another member of the presidential cabinet, Manuel Camacho, secretary of Urban Development and Ecology, also belongs. The Tepoztlán Center was set up in 1981 by officials of the Club of Rome, the Trilateral Commission, and Mexican politicians. Its specific goal is to take control of the institutions of Mexico's government and impose economic and cultural policies based on bucolic, bestializing, and anti-Western concepts, in order to halt technological progress and promote the zero-growth quackery that the world needs fewer people.

According to eyewitnesses, Guillermo Soberón presides over Aztec ceremonies which the members of the Tepoztlán Center periodically hold, where they eat off *molcajetes* (Aztec-style stone plates) and wear ornamental chains around their necks with a distinctive snail representing Tlacaeletl, the Aztec adviser responsible for carrying out the human sacrifices which epitomized Aztec barbarism.

Guillermo Soberón's public life has been inflexibly pledged to malthusian population-cutting ideology every

step of the way. His political career is tightly linked to Dr. Gustavo Baz, a Nazi-communist gnostic, now over 90, who began as a soldier with the troops of Emiliano Zapata during the Mexican Revolution. Baz received financing from the Rockefeller Foundation to promote countless Malthusian programs, and as Health Secretary in the 1960s, he created a dynasty of Malthusian doctors who have kept an iron grip over Mexico's health sector.

Thanks to the power of Gustavo Baz, Guillermo Soberón became director of the School of Medicine of the National Autonomous University of Mexico, from 1966 to 1971. He then became the university's rector for eight years, supported by the malthusian group that tried to make Mario Moya Palencia President of Mexico in 1976, and now has designs to install Soberón in the presidency. As university head, Soberón compromised Mexico's greatest educational institution with the powerful Miguel Alemán financial interests in the Televisa chain, which pushes the population-cutting programs of the Population Institute of the Inter-American Development Agency.

The supranational oligarchic backing for Soberón is the only way to explain the incongruous fact that Mexico's top health official advocates closing both general and specialized medical schools, under the false presumption that there is "overproduction" of doctors in Mexico. Soberón introduced so-called barefoot doctors, quacks, and witch doctors to replace scientific medicine.

With only four years of "services," Soberón has provoked a health disaster in Mexico: out-of-control epidemics of malaria, dengue, hepatitis, and AIDS. Everything points to the conclusion that as President, he would end up destroying the nation.

## Arms-trafficking in Venezuela

*Yes, Venezuela has a narco-guerrilla problem. Now that the purge has begun, how far will the government take it?*

The myth of Venezuelan "immunity" to narco-terrorism was dispelled on Oct. 28, when forces from several security agencies raided the Maracay and Caracas offices of the Venezuelan Corporation of Military Industries (CAVIM), a branch of the defense ministry, for illegal arms sales to what the government has dubbed "narco-terrorists."

Eighteen individuals were arrested, including military officers and CAVIM employees. CAVIM's president, Brig.-Gen. José Santana Quevedo, was recalled from a vacation abroad for questioning, and has since been transferred to an active military command post.

One day earlier, the superintendent of the Arms and Explosives Office of the interior ministry's political police (DISIP), "ex"-guerrilla Domingo d' Alessandri, was fired after his office was pinpointed as the source of weapons permits that facilitated the CAVIM transactions. d' Alessandri's office reportedly received substantial bribes, in the form of money and drugs, for the forged permits.

According to the Venezuelan press, d' Alessandri is also linked to ex-DISIP commissioner Amilcar, now serving time for stealing jewels and 15 kilos of cocaine that were being held as evidence at DISIP headquarters. D' Alessandri was sacked along with a number of colleagues, all part of what has been described as a "clan" of former guerrillas from the 1960s who were incorporated into various government institutions under the 1968 Caldera government.

The firings and arrests have shaken Venezuela's political elite to its roots, as the scandal of narco-guerrilla infiltration into the intelligence and military apparatus threatens to engulf the maneuverings already under way for the 1988 presidential elections.

The extent of the corruption first became evident following a joint DISIP/army battle Oct. 10 with narco-guerrillas in the state of Yaracuy, in the north-central area of the country. An Oct. 16 communiqué by the defense ministry noted that the guerrillas, from both Colombia and Venezuela, had been part of a massive kidnapping ring along the border between the two countries. As a result of the clash, large numbers of weapons and ammunition were seized bearing the CAVIM seal, along with documents which implicated the DISIP "clan." Among the casualties of that clash was Evencio Sosa, a leading member of the Colombian ELN narco-terrorist band.

The Oct. 10 incident was not the first of its kind. Last April, seven guerrillas were captured in military uniform near Maturín, and several "ex"-guerrillas were seized following a bank robbery in Puerto Ordaz. Numerous army-guerrilla confrontations have taken place along the Colombia-Venezuela border region since then, and traceable arms caches have been discovered in several parts of the country.

An Oct. 29 cabinet meeting took the important step of acknowledging the problem and pledging a clean-up. Interior Minister José Angel Ciliberto

announced investigations of all the nation's security agencies, and the Venezuelan Congress will be pursuing an independent investigation.

The president of the congressional Commission on Domestic Policy, David Morales Bello, told the press Oct. 30, "It is evident that when agents of the drug trade penetrate security agencies, we have a destabilization plot in progress, and this is what we are going to investigate, until the government learns who is pulling the strings of the individuals apparently involved."

In addition to asking who infiltrated the narco-guerrillas into government security agencies in the first place, investigators might also take a closer look at who benefits from the scandal now being fanned by yellow journals like *Diario de Caracas*, the dope-linked daily which has publicly advocated drug legalization. Its director, Carlos Ball, would be more than delighted to see the Lusinchi government destabilized by a spreading corruption scandal, the better to bend it to the will of covetous international creditors whom Ball represents.

On Nov. 2, Ball's newspaper carried a two-page dossier on alleged drug and terrorism links to high-level DISIP officials. The article title: "Narco-guerrilla infiltration began more than two years ago."

Venezuela has learned, the hard way, that it is not exempt from the narco-terrorist "irregular warfare" that is plaguing the rest of the continent. President Lusinchi is left with two choices. He can purge a few, shuffle a few, and sweep the whole mess under the rug in hope that the next scandal won't erupt until after the 1988 elections; or he can make the thorough cleansing of Venezuela's intelligence and police forces a number-one priority.

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# International Intelligence

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## *Jane's reports Soviets near ABM breakout*

*Jane's Defence Weekly* in its Nov. 8 issue reports that U.S. intelligence circles are convinced that the Soviet Union is about to complete the construction of a continent-wide ABM phased-array radar defense, in violation of the 1972 ABM treaty.

The ABM radar defense system, centered in Krasnoyarsk, would without doubt, in the view of U.S. officials, destabilize the East-West nuclear equilibrium.

The radar would be the central component of a continent-wide ABM radar system, interlinked through mobile radar systems. Within six months of completion of this component, the overall system could be operational and would, according to the officials consulted, give the U.S.S.R. the ability to threaten a first-strike nuclear attack on the United States, by reducing prospective Soviet losses in a U.S. counterstrike to an acceptable level.

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## *Bonn conference scores AIDS cover-up*

At a symposium on AIDS held in Bonn, West Germany on Nov. 9, under the auspices of the Patriots for Germany, scientific experts and political leaders denounced the "criminal lying" and cover-up of the "species-threatening" AIDS pandemic, by international health agencies and government figures like U.S. White House Chief of Staff Donald Regan and German Health Minister Rita Süßmuth.

Helga Zepp-LaRouche, the chairwoman of Patriots for Germany, stressed in her keynote address that AIDS poses a moral question to all mankind: Do we have the moral fitness to survive, or do we allow bankers and population-control ideologues to sacrifice humanity? She blasted the economic policy of Donald Regan and of the International Monetary Fund (IMF) for sabotaging the necessary mobilization against AIDS, on the grounds that it is not "cost-effective." "We are in the unfortunate position of know-

ing that we were right, and many people are going to die as a result of the sabotage of the measures that my husband, Lyndon LaRouche, has demanded," she said.

LaRouche was a supporter of Proposition 64, the California initiative to check the spread of AIDS by instituting emergency public-health measures. The referendum was defeated in the Nov. 4 election, although it won support from 29% of the California electorate.

Dr. John Seale, a member of the Royal Society of Medicine in London, stated: "The remarkable one-third 'yes' vote for Proposition 64, in the face of such massive pressures to vote 'no,' confirm Abraham Lincoln's wise dictum that you cannot fool all of the people all the time. My conclusion from these extraordinary figures is that there is a real possibility that Lyndon LaRouche could become the next President of the United States, which would make Mikhail Gorbachov extremely unhappy."

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## *Mexican assassination follows bankers' threats*

In what is widely viewed as a warning to former Mexican President Luis Echeverria and his nationalist circle, one of Echeverria's long-time collaborators, journalist Ivan Menendez, was murdered in Mexico City on Nov. 6.

Menendez was the editor of *La Republica*, the official paper of Mexico's governing Institutional Revolutionary Party (PRI). He also edited the Spanish edition of the French monthly *Le Monde Diplomatique*.

On Oct. 11, the *Wall Street Journal*, newspaper of Mexico's creditors, had warned that no economic agreement with Mexican President Miguel de la Madrid would be possible unless the Mexican nationalist faction opposed to IMF deals were neutralized. "Echeverria . . . remains a behind-the-scenes power."

During the last year of his presidency, 1976, Echeverria had wrecked the political machine of Mario Moya Palencia, current U.N. ambassador, and arranged instead for José López Portillo to become his successor.

He has thus remained symbolic of Mexican nationalism in the eyes of international usury.

Menendez's killers declared that he was killed for "serving the line of the masonic *Echeverrista* government of the PRI." Mexican police later denied the existence of the death squad responsible for the killing.

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## *Cardinal König skips Budapest anniversary*

Cardinal König, the outgoing Archbishop of Vienna, promised to officiate at a requiem mass to be held in the Austrian capital of Vienna on the 30th anniversary of the Soviets' bloody suppression of the Hungarian Revolution. Reporting that his heart condition did not permit him such exertions, the Cardinal, who is a member of the Initiative Committee for East-West Relations and a supporter of the KGB-founded Club of Rome, sent a letter to the organizers of the celebration.

In his stead, he sent a priest who delivered a sermon which made mention of Ethiopia and Kampuchea, but not Hungary.

Apparently, the Cardinal was simply embarrassed by being asked to applaud the crushing of the Hungarian nation. The Cardinal's condition did not stop him from delivering an address at a U.N. function, at the time he ought to have been at Church.

It was the motto of Janos Kadar, the butcher replaced in Budapest by Soviet tanks in 1956: "Who is not against us is with us". That must be the case with Cardinal König.

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## *EIR exposure of AIFLD aired in Mexico*

*EIR* Ibero-America editor Dennis Small's evidence of the drug-trafficking links of the State Department-funded American Institute for Free Labor Development (AIFLD) has been written up by one of Mexico's most important columnists, José Luis Mejía. On Nov. 12, on the front page of *Excelsior*, Mejías devoted 700 words to a press confer-

ence held by the Schiller Institute in Washington several months ago, at which Small presented the demand that the U.S. government suspend financing of AIFLD.

He reports Small's evidence of AIFLD ties to Colombian narcotics trafficker Gilberto Rodríguez Orejuela and Peruvian Carlos Langberg.

Mejias asks why Mexico takes so seriously the repeated undocumented accusations from U.S. officials and media that Mexican officials are involved in drugs, "when in the United States accusations with proof, such as those of the Schiller Institute, are thrown in the waste basket."

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## ***NATO launch on warning now impossible***

NATO has made "launch on warning" (LOW) modes of alarm for all European nuclear assets technically impossible. Effectively immediately, all Pershing Ia, Pershing II, and nuclear-capable aircraft, are no longer on Quick Alert Reaction status, so that the reaction time is extended "from minutes, to a time significantly longer," according to the German defense ministry.

NATO will rely on "quick dispersion" capabilities to "hide" its nuclear assets in case of a Soviet attack.

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## ***NATO general fired for investigating spetznaz?***

On Oct. 28, the Netherlands' ministry of defense announced the dismissal of Lt.-Gen. G. C. Berkhof of the Dutch Army as Chief of Staff of Allied Forces Central Europe (AFCENT). The reason given was simply "the result of his way of functioning," which apparently made him incompatible with his commander, Gen. L. Chalupa of the West German Bundeswehr.

The move, unprecedented since the 1984 dismissal of former NATO deputy commander General Kiesling for suspicion of being a homosexual (a charge he was exonerated of following his dismissal), has led to

speculation as to the real motives for General Berkhof's dismissal.

On Nov. 8, Berkhof himself charged that his dismissal was because of his fear that the AFCENT Headquarters, in the city of Brunsum, near the West German border in the Netherlands, was vulnerable to Soviet spetznaz (special forces) attack. In an interview appearing in three of the Netherlands' leading weekly magazines, General Berkhof stated that he had been investigating Soviet plans to sabotage the headquarters through infiltrating spetznaz troops into abandoned coal-mining tunnels that crisscross underneath the base no more than 10 meters below the surface.

The spetsnaz could thus reach right into the center of the NATO facility that is the command and control center encompassing all American, British, Dutch, Belgian, and German troops on the crucial West German front.

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## ***Social Democrats lose in Hamburg***

With elections in West Germany only 10 weeks away, the Social Democrats suffered a stinging setback in elections in the city-state of Hamburg on Nov. 9. It was the pro-Soviet party's second serious defeat after a string of victories in earlier elections. On Oct. 12, the Social Democrats experienced heavy losses in the state of Bavaria.

The Social Democrats won 41.8% of the vote, in contrast to 51.3% four years ago. The Christian Democrats reached 41.9%, compared to 38.6% in the last election. The Green-terrorist party, known as GAL, got 10.9%, a 4% increase. The Free Democrats did not reach the 5% necessary to enter the Parliament.

Hamburg has always been a very strongly Social Democratic city. The election is an indication that the Social Democrats are losing their labor base. While the radical Greens are the big gainers, clearly the German three-party system of Christians Democrats, Social Democrats, and Free Democrats is collapsing.

# Briefly

● **MARSHAL SOKOLOV**, Soviet defense minister, missed all of the celebrations and the Red Square parade on Nov. 7, the anniversary of the Bolshevik Revolution. Gennady Gerasimov, chief of the Foreign Ministry's Information Directorate, explained: "I have already said he is ill. That is why he was not there."

● **VYACHESLAV MOLOTOV**, foreign minister under Josef Stalin and signer of the Hitler-Stalin non-aggression pact, was buried in Moscow Nov. 12, after a discreet funeral described by a foreign ministry official as "a private burial for a pensioner." Although he was denied the privilege of an official funeral, he was buried at the Novodevichy Cemetery in Moscow, reflecting his rehabilitation by Gorbachov. The burial was attended by relatives and friends of the family and one member of the party Central Committee.

● **DIRECT ACTION** claimed it bombed three office buildings in Paris early Nov. 11, to protest South African President P. W. Botha's visit to Paris. Botha's dedication ceremony commemorating South African war dead was also disrupted twice by demonstrators. Hundreds of French police were deployed for miles around the area.

● **THE MALAYSIAN** government is keeping an eye on the activities of an organization which has received about \$385,000 in assistance from a Western organization to conduct a smear campaign against the government, Deputy Home Minister Megat Junid Ayub said Nov. 2.

● **PHILIPPINES** Defense Minister Juan Ponce Enrile indicated Oct. 31 that he is opposed to the new constitution supported by President Corazon Aquino because of a provision declaring the Philippines nuclear-free territory. Enrile told a gathering of Rotary Clubs in Bulacan that this provision could endanger national security and render obsolete American military bases in the Philippines.

## Iranian mullahs control Capitol Hill Democrats

by Criton Zoakos

Since Ayatollah Ali Akbar Hashemi Rafsanjani boasted, on Nov. 7, of the existence of dealings between Washington and Teheran, the old Carter administration gang—Zbigniew Brzezinski, Jody Powell, Rosalynn Carter, et al.—has led a chorus of congressional and media “celebrities,” in a maniacal criticism of what they purport to be President Reagan’s policy of “trading arms for hostages.” Lest Billy Carter also join the fray, the following ought to set the record straight:

President Reagan, in his 10-minute national TV address on Nov. 13, did not address the real issues, and proved himself uninformed on what has been going on between the United States and Iran. Of the few things that he knew, he concealed some, such as Israel’s role, and disclosed some, such as his presidential directive of 18 months ago.

In fact, that presidential directive had very little to do with setting U.S. policy toward Iran. Then National Security Adviser Robert C. McFarlane placed before Reagan’s desk a piece of paper to be signed. McFarlane argued to the President that a policy of “normalization” with Iran was now in the interests of the United States, but concealed from the President: 1) that this policy of “normalization” was the operative policy of numerous government agencies since 1979-80, and, 2) that it was not a new policy, but one designed during the Carter administration.

### **What Reagan doesn’t know: Cyrus Hashemi and the FBI**

If Sen. Patrick Moynihan (D-N.Y.) and other congressional Democrats decide to hold hearings into President Reagan’s Iran policy, they are going to end up getting more than they bargained for. They will discover that the only way to “Watergate” Reagan on the question of Iran, is to accuse him of following the Democratic Party’s official policy toward Iran. In fact, the policy announced by Reagan on TV Nov.

13, can be found, almost word-for-word, in the book *Gameplan*, by Jimmy Carter’s NSC chief Zbigniew Brzezinski. Otherwise, it is the policy carried out by the Carter administration during 1979 and 1980.

The evidence for all this is to be found in the court documents of a little-known case, *Hashemi v. Campaigner Publications, et al.*, filed at the U.S. District Court for the Northern District of Georgia as Civil Action No. 80-1555A. The case was litigated from September 1980 to July 1986, when the plaintiff, Cyrus Hashemi, was found dead “under mysterious circumstances in London,” according to his lawyer. *EIR* was a party in that case, under the following circumstances:

During 1979 and 1980, we had published information that Cyrus Hashemi, a wealthy Iranian businessman with residence in the U.S.A. and Britain, was Ayatollah Khomeini’s chief intelligence agent in the United States, responsible for two tasks, shipping U.S.-made weapons and parts to Iran, and administering and financing the Islamic fundamentalist terror networks in the U.S.A. We charged that Hashemi was operating with complete sanction from Carter’s National Security Council. We also reported, with published photographs, that Hashemi’s network was coordinating with the NSC through Iranian Navy Captain Siavesh Setoudeh, who had been installed in the headquarters of the U.S. Navy’s Office of Naval Research in Washington, D.C. The full story of the ONR’s sanction of Captain Setoudeh and his staff of 16 Iranians, was published by *EIR* on Jan. 8, 1980. That liaison involved, even back then, at the height of the Teheran embassy hostage drama, shipments of U.S. weapons to Khomeini.

Since Iranian Gen. Hossein Fardoust, during July 1980, secretly visited Washington to make arrangements with then Attorney-General Benjamin Civiletti, permitting the opera-



tion of Iranian terror hit teams inside the U.S.A., *EIR* made the appropriate public accusations. General Fardoust, having served the Shah of Iran as the chief of intelligence (SAVAK), assisted Khomeini to topple the Shah, and went on to serve as the chief of Khomeini's own intelligence service, the SAVAMA.

On advice from Civiletti, a former assistant U.S. attorney-general, J. Stanley Pottinger, counseled Dr. Cyrus Hashemi, the businessman supervising the shipment of U.S. weapons to Iran, to sue *EIR* for libel. The frivolous suit was filed, and litigation continued well into the Reagan administration years. During 1982, *EIR*'s attorneys subpoenaed the National Security Agency, the National Security Council, the CIA, and the FBI to produce documents pertaining to these agencies' relations with Hashemi. When they failed to respond, *EIR* made Motions to Compel Compliance, which eventually moved the government attorneys to assert "state secrets privilege," in their refusal to produce documents.

During 1983, two full years before President Reagan signed the directive suggested to him by McFarlane, government attorneys argued as follows: "The Federal Bureau of Investigation, through the classified declaration of Oliver B. Revell, Assistant Director of Criminal Investigative Division . . . has asserted the Secrets of State privilege for the FBI documents recovered pursuant to the defendants' subpoena to the FBI as amended. The existence of this privilege, which has never been doubted, see, e.g., *United States v. Burr*, 25 *Fed. Cas.* 30 (C.C.D. 1807), protects absolutely from discovery material whose disclosure would adversely affect the foreign relations of the United States or impair national security. . . ."

And further: "Because of the sensitivity of the information at issue, the United States has determined that no substantive statement can be made on the record with respect to the documents or claim of privilege."

Oliver Revell's declaration, which invokes "state secrets," is itself classified "secret." Now, three years later, with Hashemi dead, newspapers report that he was the man shipping U.S. arms to Iran, and that he was protected by U.S. Attorney Rudolph Giuliani of New York. Some of Hashemi's later-indicted fellow gun-runners, are making motions to have their indictments quashed, on grounds that "Reagan had ordered the arms shipments to Iran."

All this is nonsense. Arms shipments to Iran were a Carter administration policy, which continued after President Reagan came into office, and, provably, without Reagan's knowledge. The proceedings of the *Hashemi v. Campaigner Publications, et al.* case prove this very point. Reagan's critics can remove the "Secret of State" argument and let us look at the documents. If this is done, we shall then have established the precedent to look into the evidence that would have actually condemned Aaron Burr as a traitor, in the 1807 case of the *United States v. Burr*, cited by Oliver Revell's lawyers.

# U.S. Church accepts papal authority

by Kathleen Klenetsky

The battle between the Vatican and the "American heresy" faction of the U.S. Catholic Church was resolved in favor of the Holy See—at least temporarily—during the annual meeting of the National Conference of Catholic Bishops/U.S. Catholic Conference in Washington, D.C. Nov. 10-14.

The 290-plus bishops endorsed the Vatican's handling of the case of Seattle Archbishop Raymond Hunthausen—although not as enthusiastically as Pope John Paul II's supporters would have liked—and elected two middle-of-the-roaders to the top leadership positions.

Although overshadowed by the issue of dissent, the bishops took action in several other critical areas, including endorsing, by an overwhelming 225-9 vote, the final draft of their pastoral on the economy. A blatant "limits to growth" document, the pastoral was saved from being a complete disaster only by the personal intervention of the Pope, who last spring instructed the drafting committee to meet with Ibero-American bishops, a meeting that led to the inclusion of a section on the international economy which criticized International Monetary Fund austerity, and called for debt rescheduling and outright cancellation for some Third World countries.

While the Vatican refused any public comment on the meeting, the Nov. 13 *New York Times* quoted one unidentified senior Vatican official saying it "might be a turning point in the difficult relations between the Holy See and important elements" of the Church in the United States. "Even though the divisions will not go away overnight," he explained, "the bishops are now focusing on their relationship with Rome and perhaps realizing that disagreements can only go so far."

The dissenters, on the other hand, were sorely disappointed with the meeting's outcome. As Thomas Gumbleton, the auxiliary bishop of Detroit and one of the most public figures in the "American heresy" gang, complained: "Bishops are going to be looking over their shoulders now, and that's not a healthy way to walk."

John Paul II ensured that the issue of centralized, papal authority—the idea of absolute truth—dominated the con-

ference agenda. In what several insiders described as an extraordinary intervention, the Pontiff sent a personal message to the American hierarchs, in which he firmly asserted the primacy of papal authority over the universal Church.

Read to the 290 bishops by papal pronuncio Pio Laghi, the missive opened with a pointed discussion of the nature of the papacy. It asserted that whoever holds the office of Pope is successor to St. Peter, the rock on whom Christ built his Church, and said that local churches must live in communion with the Pope, to be part of the universal Church.

"My desire in addressing you," John Paul wrote, "is motivated by my own ministry as Successor of Peter, and therefore as the first servant of *the Church's unity and universality*. . . . The very mystery of the Church impels us to recognize that the only, holy, Catholic and apostolic Church is present in each particular Church throughout the world. And since the Successor of Peter has been constituted for the whole Church as Pastor and as Vicar of Christ . . . all the particular Churches . . . are called to live in communion with him. . . ."

"To promote the universality of the Church, to protect her legitimate variety, to guarantee her Catholic unity, to confirm the Bishops in their apostolic faith and ministry, to preside in love—all this is what the Successor of Peter is called by Christ to do. This *Petrine service* by the will of Christ is directed to the good of the universal Church and all the ecclesial communities that compose her [emphases in original]."

### A timely message

The Pope's message could not have been more timely. Relations between the Vatican and the American Catholic Church have reached a critical point in the past months, as the Pontiff, ably assisted by Joseph Cardinal Ratzinger, prefect for the Congregation for the Doctrine of the Faith, has attempted to restore orthodoxy to an increasingly errant U.S. Church.

The cases of Father Charles Curran and Archbishop Raymond Hunthausen of Seattle, both disciplined by the Vatican for their ultraliberal, anti-Catholic, positions on homosexuality, marriage, and other crucial moral issues, are only the most well-known instances in which the Vatican has been forced to act to stop prominent Church members from trampling completely on Church teachings.

Archbishop Malone, the outgoing president of the bishops' conference, referred directly to these tensions in his opening speech Nov. 10, where he warned of "a growing and dangerous disaffection" between the Vatican and U.S. Catholics, and pointed specifically to the Hunthausen case. Nevertheless, the majority of the bishops ultimately sided with the Pope, as reflected in the results of the two major clashes between the dissenters and the pro-Vatican faction.

The first involved the Hunthausen affair. The Seattle archbishop, who earlier this year was stripped of his major responsibilities by the Vatican because of his unorthodox

positions on homosexuality, priestly training, abortion, and other key issues, had demanded that the issue be placed on the meeting's agenda, which it was.

On Nov. 12, after two days of closed-door meetings, the bishops issued a statement declaring, "On this occasion, the bishops of the United States wish to affirm unreservedly their loyalty to and unity with the Holy Father," and acknowledging that the conference of bishops "has no authority to intervene in the internal affairs of a diocese or in the unique relationship between the Pope and individual bishops." It also said that the Vatican action followed proper Church law and "deserves our respect and confidence."

At the same time, the statement contained several implied criticisms of the Vatican, including its allusion to the pain, suffering, and confusion caused by the Hunthausen affair, and its refusal to take a position on the substance of the Hunthausen vs. Vatican dispute. Moreover, one Church source told *EIR* that the statement contained a key phrase, "We are prepared to offer any assistance judged helpful and appropriate by the parties involved," which expressed loyalty to "parties" (plural) rather than solely to the Pope.

With respect to the battle over the new leadership, compromise was also the order of the day. Holding to tradition, the bishops selected the current vice-president, Archbishop May of St. Louis, to succeed Malone as president.

The vote for vice-president sparked the battle: It pitted Boston's Cardinal Law, an ally of the Pope and Ratzinger, against Archbishop Rembert Weakland of Milwaukee, a leader of the American heresy faction and one of the few bishops to publicly denounce the Vatican's actions against Curran and Hunthausen.

Underscoring their deep factional differences, the bishops failed to elect any of the nominees on the first two ballots, forcing an unusual third round.

On the first ballot, Law (who had gotten substantial support in the presidential vote) got 97 votes to Weakland's 74, out of about 280 cast. Cincinnati Archbishop Daniel Pilarczyk, a compromise candidate, got 75. On the second, Weakland's vote declined to 70, while Law's jumped to 97 and Pilarczyk's to 92. On the third round, narrowed down to Law against Pilarczyk, the latter picked up most Weakland backers, winning election by 159 votes to Law's 116.

May and Pilarczyk are described as "moderates"—but, given the dramatic changes in the American Church in the past 20 years, a moderate is far more liberal than the term would imply. May, for example, is a strong supporter of the bishops' peace pastoral, which supported the views of would-be appeasers of the Soviet Union. At a Nov. 11 press conference, May lashed out at "LaRoucheites" and other members of the "extreme right" who have criticized that pastoral letter.

In any event, the election results show significant support among the bishops for the Vatican policy toward the U.S. Church (as expressed in Law's vote). They also show that the faction of Weakland-Curran-Hunthausen was too weak to force open confrontation with the Pope.



O'Connor

# Tide may shift among the American bishops

The interview below with John Cardinal O'Connor of New York, and the second with Archbishop Philip Hannan of New Orleans, were granted to Kathleen Klenetsky at the Nov. 10-14 Catholic bishops' conference:

**EIR:** The Catholic bishops in California came out with a statement attacking Proposition 64, the ballot initiative on AIDS. Are you familiar with it?

**O'Connor:** Yes.

**EIR:** Do you think the Vatican statement on homosexuality will encourage the American bishops to consider the need for public health measures to deal with AIDS?

**O'Connor:** Yes. I suspect that the bishops will examine much more carefully proposed legislation in various cities. I think that, in some instances, there has been such a strong—very understandable—emotional content in respect to legislation, that bishops could be tempted to say, 'Well, we must be compassionate to everyone'. . . . I think that so many bishops are becoming concerned about [AIDS], that they'll just act on their own. I don't know that the statement from the Holy See would affect that aspect of it.

**EIR:** If there were something similar to Proposition 64 up for a vote in New York, would you support it?

**O'Connor:** I'd have to look at that with meticulous care, because you always have to weigh between seeming to act prejudicially toward people afflicted, victimized by such an illness, and the good of the community at large. And I would think therefore that the wording of any such proposition would be exceedingly important.

**EIR:** Would you support it?

**O'Connor:** If it were worded in such fashion that clearly the thrust would be to protect people against malicious discrimination, and yet at the same time, very rationally provided guidelines or even statutes to protect the community.

## Archbishop Philip Hannan

**EIR:** In your remarks on the floor about the pastoral letter, you seemed to be saying that the pastoral doesn't pay enough attention to the role of science and technology in producing new wealth. Is that what you meant?

**Hannan:** Oh, yes. Even now, in the European Economic

Community, they have very, very great surpluses. The only part of the world that does not have surpluses is the communist world, and the Third World, which has been wrenched so much by revolts and war that they're not able to apply the discoveries of agriculture to their particular economies. But worldwide, there's certainly enough food; it's just a matter now of distribution.

**EIR:** Would you have preferred that the pastoral give more emphasis and encouragement to the role of science in the economy?

**Hannan:** I certainly would have, because there's only one way to go, and that's to go with science and increased production. The only difficulty, of course, is that in our economy . . . we now need more people to consume the food. It's not that we don't have enough food. . . .

**EIR:** The pastoral seems to be biased in favor of limits-to-growth, and cutting population growth.

**Hannan:** It does. [The bishops] simply are not *au courant* with the agricultural developments.

**EIR:** How about technological developments in other spheres? For example, President Reagan has said that the Strategic Defense Initiative would cause a new industrial revolution in the civilian sphere. Do you agree?

**Hannan:** Yes, I would—not taking any sides about how much should be expended on it. I have a brother in science. He's said from the very beginning that if we could only have manufacturing in space, we could usher in a new era, because you don't have gravity, and everything could be made better in space than to be made here with gravity.

**EIR:** Do you think there's too great a bias against the military in the pastoral letter?

**Hannan:** Oh, sure. Because the bishops don't realize that 50% of all the defense expenditures are for salaries, and only 7% is for nuclear development.

**EIR:** As the Vatican takes a more interventionist role in the U.S. Church, will the American bishops abandon these anti-science, anti-military prejudices?

**Hannan:** I think they will. And I think there is a tide moving in that direction.

## Bishop Morkovsky: SDI must be discussed

*Retired Bishop John L. Morkovsky of the Galveston-Houston diocese granted an exclusive interview to this reporter during the National Conference of Catholic Bishops convention here in Washington, D.C. on Nov. 11:*

**EIR:** Bishop Morkovsky, three years ago you presented a forum for priests in your diocese on the issue of the Strategic Defense Initiative (SDI) in which you invited spokesmen from the Fusion Energy Foundation to discuss the beam defense program that was proposed earlier that year by President Reagan. I know of no other case where a similar type of forum dealing specifically with this issue has been held among Catholic priests in the United States. Do you think there is need for more understanding of the SDI within the leadership of the church?

**Morkovsky:** I think there definitely is. I was impressed with the way it was explained to me, and I have no reason to change my opinion. SDI is really about the only defensive armament there is. Most of the arms to bring about deterrence are offensive, whereas SDI is exclusively defensive, to destroy the offensive missiles that come at us. So, I was very much impressed with that. This is the thing that should be promoted and made known. I think the fact that President Reagan is pushing it is the main reason why the Soviets are willing to negotiate right now.

**EIR:** The Catholic bishops have pre-

pared a statement on peace and disarmament, and there was no mention of the SDI in it. Do you think that is an oversight, something that should be corrected?

**Morkovsky:** I think possibly they weren't too much aware of it then. They spoke about defense, but SDI wasn't a household word yet. I'm a little puzzled myself. I think it is a question of sequence of events. The SDI wasn't in the government program until 1983, and this pastoral was issued around the same time. Possibly it wasn't even discussed.

**EIR:** Given this document now exists, would a new discussion which incorporates the role of the SDI in creating the basis for real disarmament be an appropriate thing for the bishops to discuss? Perhaps a revision of this document?

**Morkovsky:** Or a brief statement might be in order, if the bishops are made aware. I think generally the bishops are not too much aware of it. There are a number of bishops who are very, shall we say, violently fighting the offensive nuclear weapons. All the bishops need a way of becoming aware. Maybe you ought to send a letter out to all the bishops, a short statement about it from some authoritative source like yourself. It would be helpful if all the bishops were made aware that the SDI is really only defensive, because there are people apparently who question that it is all defensive.

**EIR:** It seems to me this would make for a useful debate. How would something like this actually become an agenda item in this case among the bishops?

**Morkovsky:** Some bishop would have to start the ball rolling, and if there was enough demand on the con-

ference, if they were to become aware that this is a very substantial subject that the bishops should discuss, it could come up. Retired bishops don't have a vote; we have a voice. I could make some of the bishops aware who are most interested in peace.

**EIR:** Up until now, the pro-peace bishops have simply called for disarmament, not the application of the SDI as a way to achieve that aim of disarmament.

**Morkovsky:** Right. I think some scientists question the total defensiveness of the system, as well.

**EIR:** Yes. However, the administration insists it is 100% defensive, and the Soviets have tried to argue otherwise. The other issue the bishops need to keep abreast of is that the Soviets themselves have a program like this, and the main danger to world peace and stability would be a lopsided situation in which a Soviet adversary would have a defensive capability like this and. . . .

**Morkovsky:** And we wouldn't. Yes. SDI is really an alternative to simply deterrence, keeping on building up of offensive arms for deterrence purposes. This is a defensive weapon instead of an offensive weapons build-up.

**EIR:** In 1983, you had a very productive forum, as I mentioned, in Houston in which you invited the priests in your diocese to come and hear a presentation and ask all the questions they had. Is this something you would recommend occur all over the country? Let all the questions, all the doubts come out, and actually have a good debate with some of the leading experts in the field on this?

**Morkovsky:** I think so. I think it would be a good item on the agenda of the next bishop's conference.

## Italian press amazed at U.S. rights abuse

The Italian family weekly *Oggi* (circulation 800,000) and the daily *Giornale d'Italia* have championed the cause of Lewis du Pont Smith and his fiancée, Andrea Diano, political supporters of Lyndon LaRouche who went to Rome last month to appeal to the Pope to intervene against the violation of Smith's civil and human rights by a Philadelphia court.

In a two-page article in the Nov. 12 edition, *Oggi* interviewed Smith, "the 30-year old scion of the powerful American financier dynasty, deprived of his civil rights by his family: Now he cannot freely dispose of his own wealth, nor marry, nor vote, nor enjoy any civil right." *Oggi* notes that the du Pont heir "does not seem at all mentally incompetent, as the ruling of a Philadelphia court establishes." A similar article and photograph were run in *Giornale d'Italia* on Nov. 12.

"My problems started when, at Christmas two years ago, I decided to contribute \$212,000 to the Schiller Institute, a cultural association founded by Mrs. Helga Zepp-LaRouche, which fights against drugs, pornography, usury, and in defense of peace and human rights," the magazine quotes Smith. "Without even consulting me or warning me, they sued in court to deprive me of my civil rights."

### Issue was support for LaRouche

Who is behind the Schiller Institute, *Oggi's* interviewer asked. "A man I greatly esteem, Lyndon LaRouche, 64 years old, who is likely to become the next President of the United States. He is a famous economist and is running in the Democratic Party. His popularity is spreading in America; he is the bogey of the establishment, a man who does not mince words or accept compromises. He recently published a report accusing high finance of complicity in the drug traffic, and also naming names. It is clear he has many enemies: all those who are on the side of the establishment, such as my parents. But the working citizen trusts him."

"Among the motives that induced the du Ponts to deprive their son of liberty is the pretty Italo-American girl," Andrea Diano, *Oggi* reports, quoting Smith that the family told him, "Catholics are of an inferior race, as well as those of Mediterranean origin, like Andrea." Thanks to the court ruling, Lewis and Andrea cannot marry.

*Oggi* reported, in Smith's own words, how his father



Under the headline, "Deprived of civil rights for love," this picture ran with *Oggi's* article on Lewis du Pont Smith and Andrea Diano, shown at the Spanish Steps in Rome.

spent thousands of dollars in genealogical research to prove a blood tie to Princess Diana (Spencer) of England, and tried to send him to England to seek a wife among London high society. "I said I already had my Lady Di—Andrea's last name in fact is Diano. And they freaked out," Lewis told the interviewer.

Another issue used to "prove" Smith's alleged mental incompetence in court, was his effort to prevent family members from removing life-sustaining equipment from his hospitalized grandmother. "My mother belongs to the 'death with dignity' movement, which favors euthanasia," he reported.

*Oggi* quotes Smith in conclusion: "Except for Judge Lawrence Wood, I do not think anyone could blame me for having taken \$212,000, out of so much wealth accumulated making nylon stockings, gunpowder, and plastic articles, to dedicate it to a movement that defends life."

## Byrd to continue as majority leader

Senate Minority Leader Robert Byrd (D-W.V.) survived a challenge to his leadership of the Senate Democrats and is expected to become the new Senate Majority Leader in the 100th Congress. The Democrats take over the Senate with a 55 to 45 majority.

Control of every committee and subcommittee chairmanship in the Senate will shift to the Democrats in January 1987.

Byrd was left as the only candidate for Majority Leader, which will be decided in the Democratic organizational meeting to be held on Nov. 20, when Sen. J. Bennett Johnston (La.) withdrew his candidacy on Nov. 11 because he just "didn't have the votes." Five of 28 senators whom Johnston had tentatively lined up to support him switched to Byrd after reported promises of choice committee assignments and a pledge by Byrd that he will not seek the leadership post again in two years.

Byrd encapsulated his attitude toward the administration when he commented: "We know there will be confrontation." That is the same attitude that Byrd has toward U.S. allies, specifically where protectionist trade legislation is concerned. Byrd has already said he would support efforts to tell the Japanese that U.S. defense of the western Pacific was contingent upon access to Japanese markets for U.S. goods. "We ought to link the two," Byrd said.

Among the issues that Byrd intends to put on the immediate Senate agenda are the two nuclear test ban treaties, which will set the stage for fights on arms control policy, the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty,

the Clean Water Act, reauthorization of the Elementary and Secondary Education Act, agriculture, and trade legislation.

## Foreign policy

The platform from which Senate Democratic liberals will most vehemently put forward their appeasement and disarmament positions will be the Senate Foreign Relations Committee, to be chaired by Claiborne Pell of Rhode Island, a man who speaks proudly of family ancestors who fought against the American Revolution. Immediately upon the Senate takeover, Pell said that "two of the most urgent priorities for Democrats will be arms control and the situation in Central America."

Pell is the blue-bloods' blue-blood, the man who held hearings on the zero-growth Global 2000 report championed by many in the Carter administration, and who is active in many facets of its Malthusian policy thrust. Pell is also key in back channels to Moscow, led Senate trips to meetings with Andropov, and has been at the forefront of the nuclear freeze and efforts to kill the Strategic Defense Initiative.

Pell and committee Democrats, who are overwhelmingly liberal, including Sens. Joseph Biden (Del.), Paul Sarbanes (Md.), Alan Cranston (Calif.), Christopher Dodd (Conn.), and John F. Kerry (Mass.), will push to keep the U.S. within the never-ratified SALT II treaty limits and to redefine the ABM treaty along the lines of Soviet demands; and will attack the SDI, ASAT systems, nuclear testing, and chemical weapons.

Pell will back up Kerry's pro-Sandinista efforts in Central America, and

will seek to cut off aid to Jonas Savimbi's UNITA, fighting Cuban troops in Angola. Kerry, sometimes referred to as the Sandinista lobby in the Senate, is also expected to head the Senate Democratic Campaign Committee because, being from the Forbes family, he has raised a lot of money.

## Defense

The more serious threat to defense and national security interests is located in the shift of the Senate Armed Services Committee to Sam Nunn of Georgia, a man who is "pro-defense" until it comes time to spend the money. Nunn is close to Soviet agents-of-influence Henry Kissinger and Zbigniew Brzezinski, and the "military reform" crowd at the Center for Strategic and International Studies.

In 1984, Nunn collaborated with Kissinger and this crowd in advancing his amendment to pull U.S. troops out of Europe. The amendment failed by only three votes in the Senate at that time, but if passed, would have most certainly led to decoupling and a split between the United States and Europe, and possibly to dissolution of NATO itself. Nunn's attitude is one of "watching and waiting," with the ever-present threat to reintroduce the amendment.

Nunn is dangerous because he has a reputation for being pro-defense, but strategists know that Europe is only credibly defended with the neutron warhead, SDI systems for use on a tactical level or the Tactical Defense Initiative, and increased air defense. Nunn is opposed to the SDI, the key program for defense of Europe and the United States, and the program the Soviets consider the only significant

stumbling block to their goal of world domination.

Nunn has said that he will try to "get a consensus on SDI." A Nunn staffer said that that consensus was already reached last year which is to slow down the SDI research program substantially. Nunn supports a severely limited role for SDI to a point defense of military assets as advocated by Brzezinski.

As he urges the Europeans to do more, Nunn is prepared for further defense cuts in the U.S. defense budget. "My agenda would be to try to get more efficiency from the current defense expenditures because we have got to do something about the overall fiscal problem," Nunn said. He is already going to the Joint Chiefs of Staff to involve them in a process of cutting the budget in an effort to outflank Secretary of Defense Casper Weinberger and President Reagan.

## Economics

A realization among Senate Democrats that they did not necessarily win the Senate, but that the economy defeated the Republicans, is apparent in the comments of Byrd and the new chairman of the Senate Budget Committee, Lawton Chiles (Fla.), who are attempting to put a "growth" label on new committee activity. A spokesman for Chiles, who has acted in concert with Pete Domenici (R-N.M.) as ranking member of the Budget Committee for several years, emphasized that Chiles will put "much, much, much more focus on growth initiatives," in the areas of science, technology, and education. Talk about lessening the constraints of deficit reduction targets will still, even if re-

laxed, keep the Senate debate within the bounds of cutting defense and the insane parameters of deficit reduction by budget cuts and tax increases.

Led by Byrd, Lloyd Bentsen of Texas, and Ernest Hollings of South Carolina, who will chair the tax writing Finance Committee and Commerce Committee, respectively, protectionist trade legislation will be revived, partly as a political payoff for AFL-CIO support in the elections. Bentsen will begin trade hearings in February and hopes to have legislation ready for floor action by the summer. Bentsen's office said that the trade bill will contain a "market opening strategy," and may have little relation to previous trade legislation, H.R. 4800, passed by the House. Bentsen is close to the banking industry, and the committee, as it did in the recently passed tax reform package, will continue to act as the tax technicians for the Wall Street banks.

The Banking Committee will be reclaimed by its former chairman William Proxmire (Wisc.), a man who conceded to Paul Volcker that the failure of congressional action to cut the deficit had left Volcker with no choice but the high interest rates which accelerated the destruction of U.S. production. Proxmire fulminates against the big banks, but he is anti-dirigist and will do nothing to protect productive sectors. He may put a slightly different spin on banking deregulation, but has supported this push to deregulate. As the U.S. banking system becomes ever more jeopardized, Proxmire's comment that the way to save the banks and the country is to cut the deficit to zero, comes to mind.

The Agriculture Committee will be chaired by Patrick Leahy (Vt.), who claims that the committee will be

turned into a vehicle for rural America. Leahy represents mainly dairy interests, yet he voted for both recent cuts in the dairy program. Leahy has already hinted that he may move in the direction of mandatory production controls, an outlook that was advanced by Tom Harkin (Iowa) last year.

## Domestic policy

Senator Edward Kennedy (Mass.) has decided to chair the Labor and Human Resources Committee to supposedly breathe new life into many social programs. However, Kennedy will have to change colors once again if he is to advocate higher spending levels. Kennedy has spoken about a zero-based budgeting approach, where every new dollar spent will have to come from a program already cut or phased out. His office did not comment on whether this is the senator's current thinking, but Kennedy did shock many in coming out in favor of a constitutional amendment for a balanced budget.

Kennedy taking Labor leaves neo-liberal Joseph Biden as chairman of the Senate Judiciary Committee. Biden will be a major check on Reagan court nominees, and on new-right social issues such as prayer in schools, etc.

Among the other new committee chairmen are David Boren (Okla.) at Intelligence, John Stennis (Miss.) at Appropriations, Quentin Burdick (N.D.) at Public Works, and Bennett Johnston (La.) at Energy and Natural Resources. There are positive instincts here, but on the whole, these moderates, such as Boren and Stennis, have never shown the capacity to resist the Democratic leadership.

# National News

## Jackson threatens GM with 'civil disobedience'

Jesse Jackson blasted General Motors for the post-election announcement of planned plant closings over the next three years, in a speech Nov. 11 in Detroit. He called the action immoral, unfair, and motivated by "unrestrained greed."

He also said GM was planning to sell off its South African business to its white South African management group, and would be "right back in there" if the political climate changes. "If there were civil disobedience at GM because they're exploiting South African slave labor, that would put it in a global context," Jackson said. "There must be people at the gates of General Motors who are willing to go to jail to protest . . . insensitive unilateral greed," he added later.

Jackson announced that he would decide by next spring whether to seek the presidency in 1988. "I've not yet made a final determination on whether to run, but I am very encouraged by what happened in last Tuesday's [Nov. 4] election." Under questioning at a news conference, Jackson said the decision would depend on his ability to raise a minimum of \$10 million in campaign funds. He also predicted that by next spring there will be "serious cries of impeachment" against President Reagan that will make Watergate look like a "local crime," because of Washington's support of Nicaraguan rebels, U.S. arming of Iran, and the bombing of targets in Libya.

## Virginia's top police sued for 'panty raid'

In what promises to be the first of a series of actions to be taken against the authorities who conducted the \$10 million panty raid against Lyndon LaRouche's associates on Oct. 6 and 7 in Leesburg, Virginia, a suit was filed Nov. 12 in Richmond against

Virginia Attorney-General Mary Sue Terry and three top Virginia police officials, on behalf of six organizations.

The suit, filed with the U.S. District Court for the Eastern District of Virginia, seeks preliminary and permanent injunctions against the use and possession of materials seized during the paramilitary raid. It also requests \$400,000 in damages from the named officials.

The six organizations filing suit are the Fusion Energy Foundation, the Schiller Institute, the National Democratic Policy Committee, Independent Democrats for LaRouche, The LaRouche Campaign, and the Leesburg Security Fund.

The organizations argue that their civil rights and due process of law were violated in the Oct. 6 raid. The state officials admitted through provision of inventories of the material which they took away, that they had taken property from these organizations. Yet, the search warrants which were signed in authorization of the raid "did not authorize or otherwise permit the seizure or removal of property belonging to the plaintiffs."

## Steinbergs are partially released from jail

*EIR* journalists Jeffrey and Michele Steinberg were freed from prison on Nov. 14 on a "work-release" program, following a hearing before U.S. Magistrate Robert Collins in Boston. The couple, security aides to Lyndon LaRouche, had been held without bail since the Oct. 6 federal "panty raid" on LaRouche associates in Leesburg, Virginia.

The agreement was reached after Paul Goldstein, also an *EIR* reporter and security consultant to LaRouche, was released into such a program on Nov. 6. Like Goldstein, the Steinbergs will report to the Loudoun County Jail in Leesburg, Virginia, each evening at 8:00 p.m., and remain overnight until 8:00 a.m. the next morning.

Following the release of Goldstein, attorneys for the Steinbergs demanded the

same terms of release for their clients.

Meanwhile, five new subpoenas have been issued out of a continuing Boston grand jury witch hunt against LaRouche and friends. Subpoenas for handwriting samples and fingerprints were issued to LaRouche campaign treasurer Edward Spannaus and *Investigative Leads* editor Robert Greenberg. Subpoenas for testimony were issued to Lenore Sanders and Robert Kay. A subpoena for the videotape of Lyndon LaRouche's deposition taken by First Fidelity Bank on Oct. 27, was issued by the U.S. Attorney's office in Boston on Oct. 29.

Associated Press has reported that Lyndon LaRouche appeared voluntarily at the FBI office in Alexandria, Virginia, to provide handwriting samples and fingerprints. AP reporter and LaRouche-hater William Welch cites unnamed law enforcement officials as saying that a new grand jury has been empanelled in Alexandria to hear evidence against LaRouche and associates.

## President signs 'Nuremberg' law

The U.S. Congress has voted into law, and President Reagan has signed, a call for the constitution of a "Nuremberg-style" tribunal to try terrorists. This new law will be debated at the NATO parliamentarians' meeting in early November in Istanbul, Turkey, U.S. Senator Arlen Specter of Pennsylvania revealed during a speech in Rome Nov. 10.

According to the Italian daily *Corriere della Sera* in an article headlined, "The U.S. Senate Proposes an International Tribunal for Terrorists":

"The project is quite complex, on the political level, and on the level of international rights. How many countries will want to renounce their sovereignty to a 'Nuremberg-style' court?"

Specter is quoted: "It will require a common effort from our side, and your side, of the French, the Germans, the Japanese, the Spanish, as well as the British, if we really



want to face the problem of terrorism, which, de facto, has replaced war as the instrument of an international fight."

He also said that, in Istanbul at the NATO parliamentarians' meeting, "I will bring it to the attention of the delegates. In that way, everybody will familiarize themselves with the problem."

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## Shultz praised in East bloc media

The Polish daily *Rzeczpospolita* Oct. 19 praised U.S. Secretary of State George Shultz's role at the Reykjavik summit. "Political observers continue to draw attention to a new role George Shultz has been playing," says the paper's Washington correspondent, Marian Podkowinski.

"The issue of armaments and talks with the U.S.S.R. was the main subject of misunderstanding between Shultz and the super-hawks. Reagan remained for a long time under the influence of the Pentagon and their representatives, among them Robert McFarlane." But as early as the Geneva summit, Shultz's group was strengthened and Weinberger's undermined.

"Shultz made the Reykjavik meeting possible by removing various obstacles. . . . Shultz, Poindexter, and Nitze were the President's closest aides during Reykjavik."

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## Walters warns of Mexican troubles

Vernon Walters, the U.S. ambassador to the United Nations, gave a severe warning concerning Mexico in a speech at the Jimmy Carter conference center in Atlanta, Georgia in early November. His remarks were apparently intended to justify administration policy of intervention south of the border.

"Mexico is at risk in the face of the Soviet destabilization of the whole region. . . ." he said. "The danger is bigger than you are willing to accept. Destabilizing Mexico has always been one of the U.S.S.R.'s greatest aspirations. . . . It is no accident that the number of personnel in the Soviet embassy in Mexico is one of the highest it has in the world.

"If we lose and communism wins in Central America, there will be millions of people who emigrate toward the United States searching for work. And it is almost certain the Mexicans will have buses ready on the Guatemalan border to carry them to Tijuana, Nogales, Brownsville or any other place to say, 'over there gentlemen.'"

Walters used the example of Nicaragua to condemn all governments which seek to control their economies "If there is not more freedom, in economic management, there will not be progress."

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## Weinberger hits 1930s-style appeasement

"Today is a day for resolve to stay so well-prepared in peace that the folly of war will be forever behind us," said Caspar Weinberger in a Veterans Day speech at Arlington National Cemetery, Nov. 11. His speech followed the laying of the presidential wreath at the Tomb of the Unknown Soldier.

"The 1930s hue and cry against building sufficient aircraft and ships finds a parallel today in those who would grasp every excuse for weakening America's defenses," Weinberger said. "There are still those who want an adequate defense to take a back seat to what they term fiscal and political 'realities,'" the Pentagon chief said. "All these rationalizations for short-changing America's security have been heard before and proven false. . . . This fallacy, coupled to the pernicious notion that military weakness was the path to peace, sowed the seeds for a new and more devastating war" a generation later, he said. "We must ensure that no American views war casually."

# Briefly

● **PRESIDENT REAGAN** extended economic sanctions against Nicaragua Nov. 10, saying that that country's policies continued to threaten U.S. national security. First imposed in 1985, the sanctions ban most trade between the two countries and prohibit Nicaraguan ships and airplanes from entering U.S. territory.

● **CYRUS VANCE**, former U.S. secretary of state, left Hanoi Nov. 5 after a six-day private visit to Vietnam. He was accompanied by Mrs. Vance and Robert Oxnam, chairman of the Asia Society. He was received by Pham Van Dong, chairman of the Council of Ministers, and Le Duc Tho, Politburo member and secretary of the Communist Party Central Committee.

● **THE CATHOLIC BISHOPS** Conference of the United States did not vote at their latest meeting to change the name of the Ten Commandments, to the Ten Opinions, despite a widespread rumor to that effect.

● **ALFONSE D'AMATO** is responsible for an amendment passed in the closing hours of the 99th Congress making Israeli theft of American military hardware legal. The measure, attached to the 1987 spending bill, allows the transfer of "technical data for large-caliber cannon" to Israel if approved by the secretaries of state and defense.

● **CHARLES WICK**, director of the U.S. Information Agency, is under fire for asking the Mutual Broadcasting System to broadcast Radio Moscow programs as part of a cultural exchange with the U.S.S.R. In return, Moscow promised to stop jamming Voice of America broadcasts. Reportedly, elements within the State Department, NSC, and even the USIA, view Wick's deal with Soviet propaganda boss Aleksandr Yakovlev as "screwy."

## Editorial

### *Either tyranny or the duty to vote*

The 1988 presidential election will be this nation's most critical contest since 1860, when Lincoln was made President. The anticipation of that event and the results of the just concluded mid-term election, make us think of the corruption of the electoral process in the United States.

First, too few eligible voters bother to go to the polls to vote. Second, those who do take the trouble and vote, cast their vote *against* someone or something, rather than in favor.

During this year's election, of the approximately 178 million Americans eligible to vote, only some 66 million went to the polls and 112 million stayed home. This was the lowest voter participation rate since 1942. In 1980, when Reagan was elected President, only 52.6% of eligible voters went to the polls. In the great Reagan landslide of 1984, only 51.9% voted. Over the last 50 years, the percentage of participants in presidential elections has been between 50 and 60%. For congressional elections, the rate has been lower, sometimes going as low as 32%.

The reason people do not go to vote is, essentially, discouragement, a brooding, sometimes cynical sense, that there is no hope for them, that their lives, somehow, are so lost, that involvement in the affairs of the republic will not make any difference. Some, among the more thoughtful of the hard-boiled cynics, reckon that "We the People" had the republic stolen from us when the J. P. Morgan coalition established permanent control over both major parties beginning some time in the 1880s. The dejection is understandable, but wrong.

It is understandable, when you look closer, and see who the absentees from the voting booths are. During the 1980 election: 60% of the unemployed did not vote; 70% of Americans of Hispanic origin and 50% of blacks, did not vote; most of the 64 million who did not vote in that year, belonged to the low-income, low-level-of-schooling categories. Contrary to the political myths of the labor movement, under the reign of Lane Kirkland in the AFL-CIO, only 48% of bluecollar workers went to the polls—almost as low a participation rate as that

found among unemployed.

If some 50% of Americans don't vote, they are, for the most part, your "typical" Americans, those who work for a living. Among those who regularly go to the polls, there is a "hard core," who will always do so: government employees on the federal, state, and local level, professionals, managers, and other employees whose jobs are related to the government and its policies.

Given the enormous size and role of big government in recent decades, it appears that the most decisive segment of the voting public is the nearly 18 million government employees and some 11 million managers and administrators, the two groups in our society with the highest voter participation rate—nearing 80%. This group, together with their spouses and a few family members, neighbors, and friends they influence, make up more than half of all the people who go to the polls at any time. The rest, a minority of the active electorate, are a volatile, highly active mass of patriotic persons associated with various passing causes. They created the Reagan phenomenon of the 1980s and the Wallace phenomenon of 1968. But among those who regularly vote, they are a minority. The majority of active voters are associated with government and government jobs, thus tending to perpetuate a plodding bureaucracy, which can be likened to "government of the government, for the government, by the government."

Behind the bootlicking habits of this bureaucracy, lie the interests and policies of the Eastern Establishment banking families, which use the Democratic and Republican parties indifferently. Only one force will break that power in 1988: a massive movement of LaRouche for President, which will organize the patriotic percentile of habitual voters to go out to register, and bring to the polls some 90 million eligible Americans who never voted before because they never believed that the tyranny of the Establishment can be broken.

Make voting your duty, not merely your right, and tyranny will crumble.

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